Featuring Trust and Loan Company Investments and Service

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The Nation's Business

Still Talk Status and Ignore Trade

Give Malcolm Money for Publicity

Work to Build Foreign Trade

Canada in London

THE Imperial Conference debate at Ottawa this week was very disappointing to all business men who hoped that either the government on the opposition would advance some practical suggestions on such great empire questions as imperial trade, immigration and defence.

The debate was notable for what it lacked rather than what it contained.

The prime minister, Mr. King, and the minister of justice, Mr. Lapointe, who were Canada's two delegates to the conference, admitted that the resolution on equality of status had occupied practically all their time at the conference and that it was the chief and practically the only accomplishment.

At the first session of the Imperial Conference in London on October 19, Premier Bruce of Australia, made the definte statement that if this conference failed to deal with the great question of Imperial trade, it would be a failure and it would become increasingly difficult to bring together delegates from the various dominions to future conferences.

The Imperial Conference did fail to deal with Imperial trade.

Mr. Malcolm, the minister of trade and commerce, pointed out in his speech at Hamilton last Friday, that the United States sold the British possessions outside of Great Britain, goods to the value of 360 million dollars whereas Canada sold to these same countries goods to the value of only 90 million dollars.

The prime minister of each of these dominions was in London at the conference. Surely there was an opportunity for our delegates to quote these figures and endeavor to find a solution which would be mutually advantageous.

* * *

HON. JAMES MALCOLM, minister of trade and commerce, has taken hold of his department in a very business-like way. He is applying to the problem of increasing Canada's export trade the same business principles and methods which he has successfully used in his own business.

In Hamilton last week, he gave figures in detail showing that with the total British possessions outside of Great Britain, we are doing a business of $90,000,000, while the United States are doing a business of $360,000,000.

In all these British possessions as well as in Great Britain there is a voluntary preference for goods produced within the empire.

To take full advantage of this good will we must make known what we have to sell.

Mr. Malcolm should ask parliament for two things:

(1) Increased appropriation for establishment of additional trade commissioners in important centres.

(2) An advertising appropriation of at least $250,000 to be spent in foreign countries in conjunction with associations who are prepared to guarantee the quality of their goods and who are prepared to appropriate an amount of money equal to that contributed by the government.

Increased export business means increased labor and a bigger home market. This will benefit all classes of people and all districts.

* * *

A BRITISH business paper editor agrees with the charge that Canada loses from having its various provincial government offices scattered in London. Writing to The Financial Post he discusses the recent article on this subject by H. T. Hunter. He says:

"You raise a question which I believe to be of first-rate importance. Frequently, when I have been in search of specialized information concerning this great and increasingly important Dominion, I have marvelled at the way in which the offices of the agents-general for the various provinces are scattered in London. As a matter of fact—and does not this demonstrate very strikingly the unwisdom of this policy?—your own statement proves illuminating even to me, because hitherto I did not know that Nova Scotia's headquarters lay in a side street by the Admiralty offices. Centralization and the concentration of the activities of the different provinces (or the responsible officers on this side) in one building, must inevitably come sooner or later, and if your article provides a spur now to the authorities in Canada, I think you will have rendered a very real service to the Dominion.

"Canada misses the full force of a Dominion shout through a lack of unity which, to say the least of it, is surprising. What is everybody's job is nobody's; and on publicity alone there is a good deal to be learned by some of the Dominions which maintain offices and staffs in London. I am able to view this question from a rather detached point of view, but the detached observer

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Bonds of Germany Must be Exchanged Shortly by Canadian Investors

Currency Now Valueless, But Bonds Must Be Exchanged Immediately

NEW BONDS ISSUED

Issues Made Previous to 1919 Fare Best in Bond Exchange — Bear No Interest

From Our Own Correspondent.

MONTREAL.—All German government bonds must be exchanged before June 30, 1927, for bonds in reichmarks of the new liquidation loan debt, otherwise the holders of the old mark bonds of the German Reich will have no claim on the German government. The new bonds which are being issued to redeem the old outstanding issues have no maturity date nor can the holders claim any interest before the German government meets its reparation liabilities. Nevertheless the new liquidation loan bonds are selling at $5.70 per 100 reichmarks.

The old outstanding loans of the German government are being adjusted on the basis of 25 reichmarks for the equivalent of every 1,000 gold marks outstanding. Because of the rapid depreciation of the mark following the war, issues of each of the various years naturally have a different value on a gold basis. The German government, therefore, has defined arbitrary lines along which the bonds will be redeemed. Issues bearing the date of 1918 or preceding years are taken at their face value and 1,000 mark bonds issued in 1918 or in preceding years, entitles the holder to a new bond of a value of 25 reichmarks.

The Later Bond Issues

Issues put out in 1919 are presumed to have lost one-third of their gold value. Thus, a 1919 government bond of a face value of 1,500 marks is presumed at that time to have been worth 1,000 gold marks and is also redeemable by the new liquidation loan with a bond of 25 reichsmarks.

The big slump in the mark occurred after 1919 and bonds issued in 1923 are practically valueless, for every 16,700,000 mark bond, the holder is now entitled to only a 25 reichsmark bond.

In 1924 the mark sank even lower and bonds issued in that year with face value of 50,000,000,000 marks are redeemable now with 25 reichsmark bond.

Bonds issued in these years are the only ones which have been sold in Canada. The redemption applies only to German government bonds and not to the bonds of the various municipalities. All German government bonds are redeemable under these terms and in fact must be redeemed before the end of June this year if the holders are to receive any return on what turned out to be their rather bad investment. In addition to the government bonds, bonds of the following states will also be redeemed on the same basis: Prussia, Bavaria, Saxony, Wuerttemberg, Baden, Hesse, Mecklenburg-Schwerin and Oldenburg.

But One Exception

There is one exception, though, to this rule. A tremendous number of province of Hesse bonds bearing a 1923 date have been issued in Canada, but these are not redeemable as yet and will probably be exchanged later. Their value is infinitesimal and 100,000,000 marks is worth only 5c or 6c.

A time limit for the exchange of the 1923 Hesse bonds and the bonds of the various municipalities in Germany will be set later. While the new liquidation loan bonds have no maturity date and will not bear interest until the reparation liabilities of the German government have been met, the present value of the bonds is based on the more or less general expectation that eventually all, or most, of the war reparation claims between the various nations will be wiped out or eliminated in some fashion.

Holders of all German government

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Two Lithographing Houses Plan Merger.

Negotiations are under way for the amalgamation of two prominent Canadian lithographing companies. No details have been announced as to the names of the concerns involved or as to the interests back of the merger but it is understood that between them they have an aggregate sales turnover, which places them in the front rank of the industry.

STEEL OF CANADA ADDS NEW MILL FOR GALVANIZING

On May 1, Will Begin the Manufacture of New Product

Rumors which have been circulating recently regarding the use to be made of some of the new additions to the plant in Hamilton, Ont., of The Steel Company of Canada have been settled by a definite announcement this week by officials of the company to the effect that on May 1 a new mill to produce galvanized sheets will be in operation.

The company has for some years been producing black and blue annealed sheets and, therefore, with the opening of the new plant, the company will be producing galvanized sheets through every process from the ore, this being the first time in Canada that a complete process of manufacture will have been carried out on this product. A complete range of sizes and gauges will be made and the sheets will be known as Stelco galvanized steel sheets. Developments have reached the point where the company is now accepting orders for May and June delivery.

Questioned regarding the rumor that the company would also manufacture galvanized products such as tubs, pails, etc., officials stated that the company is not planning on manufacturing any of these lines nor does it contemplate entering into their production. This new development, says Hardware and Metal this week, will be of great interest to Canadians and it indicates the faith of the Steel Co. of Canada officials in the Canadian market. It represents another addition to the large family of products made by that company from ore to finished article.

Canadian Trust Companies Now Handle Estates Valued at Over Billion Dollars

Canadian trust companies now have one billion dollars of estates under administration. The billion-dollar mark was touched with the close of 1926, it is shown by figures compiled for the annual trust and loan number of The Financial Post.

Estates have a value of $1,046,117,537. This compares with $978,223,929 at the end of 1925.

Total assets including estates, guaranteed accounts and shareholders' funds amount to $1,183,695,346 as compared with $1,096,741,235 a year ago.

The figures are as at December 31, 1926, and include all Canadian trust companies.

Sun Life Assurance to Increase Profits Available for Policies

Bill to Increase Capital to $4,000,000 is Also Before Committee

MAY ISSUE STOCK

Ultimately Planned to Devote 97% of Participating Profits to the Policyholders

From Our Own Correspondent.

MONTREAL.—The Sun Life Assurance Company of Canada has a bill before the Banking and Commerce Committee of the Federal Parliament to amend its charter. When the bill is finally sanctioned, the company's authorized capital will stand at $4,000,000; the subscribed capitalization at present is $2,000,000 of which $1,500,000 has been paid up.

In the projected amendment to its charter it is proposed that the amount of profits available for the shareholders be decreased and that the amount of profits available for the participating policyholders be correspondingly increased.

Division of the Profits

At present the Insurance Act provides that companies may take up to 10 per cent. of their profits for the payment of dividends and the remaining 90 per cent. of the profits from participating insurance must go to the policyholders. The Sun Life is presently only taking 5 per cent. of the profits of its participating department for payments to the shareholders and 95 per cent. goes to the policyholders.

If the present amendment to the charter proves acceptable to the Federal authorities, the company to begin with will reserve 4 per cent. of the profits of its participating department for the shareholders and will ultimately reduce this figure to 3 per cent. Thus it is planned eventually to

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Chambre de Commerce Opposes Water Deal

Montreal Chambre de Commerce, the French-speaking "Board of Trade" of the eastern metropolis, has joined the Montreal Board of Trade in demanding annulment of the $14,000,000 proposed purchase by the city of Montreal of the plant of Montreal Water & Power Co.

In the meantime final decision of the purchase has been postponed by the city for ten days.

HARVIE MINING CO. PLANT ON GROUND BEFORE BREAK-UP

Operations Being Rushed to Demonstrate Value of Large Area

From Our Own Correspondent.

MONTREAL.—Harvie Mining Exploration Co. has won its race against the spring break-up and has this week landed its new compressor and fifteen cars of equipment and supplies at camp in the Rouyn district. This completes everything required for over one hundred men and according to present plans the payroll will reach this figure very shortly.

Dr. Harvie's purpose in pressing forward the work with such energy is becoming increasingly clear. He is engaged in an endeavour to demonstrate at the earliest possible moment the possibilities of a mineralized zone of over three miles in length. The belief in the probable existence of four separate mines in this great zone has behind it almost two and one-half years of work and an expenditure approaching a quarter million dollars. Having found the points of attack, an assault has been launched which the directors and shareholders and the general public are watching with interest.

Sensational Reports Expected

It is believed by many that out of the four-fold operation will come the next big sensation which is needed to lift public interest in mining.

The terms of the arrangement by which the Harvie Mining Exploration Company will take over the Archean property will probably be disclosed within the next ten days. A basis of agreement has been reached and will be submitted to the shareholders as soon as all the legal aspects have been approved.

The stock split which gives Harvie shareholders five new shares valued at five dollars for each old share has been warmly welcomed by the shareholders. The company has been capitalized on a conservative basis and this move is taken as further evidence of a desire to give shareholders the benefit of the greatly increased value of the company's holdings. It is quite possible that the new shares will be listed.

Case Co. Affiliated With Sawyer-Massey

J. I. Case Co., reputed to have made an effort to secure control of Massey-Harris Co., a few weeks ago, are the manufacturers of the Wallace Tractor, for which the Sawyer-Massey Co., Hamilton, are the Canadian distributors.

The new Sawyer-Massey Co., it is believed, will be somewhat closely affiliated with th J. I. Case Co., although it is possible that an entirely Canadian tractor will be manufactured at the Hamilton plant.

Ottawa River Power Co. May Add New Generator

From Our Own Correspondent.

MONTREAL.—The possibility of installing a second 25,000 h.p. unit in the plant of the Ottawa River Power Company is being considered by the management. The plant develops at present 25,000 h.p. from one turbine generator unit, but its ultimate capacity provides for the addition of two more such units.

The Ottawa River Power Company is controlled through stock ownership by the Ottawa and Hull Power Company and the present installed capacity of both companies amounts to some 65,000 h.p.

British Columbia's New Tax on Increment Called Capital Levy

Unless New Law is Cancelled, Serious Precedent is Adopted

BUSINESS PROTESTS

Last Minute Efforts to Have Levy on Mining, Water Power and Timber Profits Killed Unsuccessful

From Our Own Correspondent.

VANCOUVER. — Adoption of the amendment to the Taxation Act presented by the minister of finance for British Columbia, places on the statutes of this province a radical new measure under which, lacking cancellation in 1928, profits on the sale of mineral, timber or water power properties in British Columbia will be taxable as income.

Introduced at the eleventh hour without preliminary announcement the amendment threw Vancouver and Victoria business communities into a turmoil. Every major trade or commercial organization affected communicated protests to the government from emergency meetings. The result was that the protesting interests were promised a one year's hoist of the proposed legislation. They were mollified by the assurance but received a rude jolt when the amendment in toto went through before the legislature broke up, carrying only one stipulation — that it would not be brought into effect until 1928.

Plans are being laid for a stiff fight against this form of taxation which business men of British Columbia have branded as a capital levy discouraging investment of capital in the natural resources of the province.

Following is a draft of that part of the bill affecting income on the sale of timber, mineral or water rights:

"Without thereby limiting the generality of the definition of 'income' contained in this section, it is declared that for all purposes of this act the expression 'income' shall be deemed to include the increment or profit accrued, derived or received from the sale of other disposition (whether for a monetary or other consideration, or in exchange for shares of property, or through the amalgamation of interests or otherwise) of any:

"(a) Standing timber or timber limit held in fee-simple or otherwise, or lands or timber held by any lessee or licensee from the crown within the purview of the 'Forest Act':

"(b) Mine or mining property within the meaning of the 'Mineral Act' or the 'Placer Mining Act,' or any mine rights held or existing by virtue of any lease or grant issued under any act relating to coal, petroleum or natural gas:

"(c) Water right or license for the use of water for clearing-streams purpose, fluming purpose, hydraulicking purpose, mining purpose, or power purpose within the meaning of the Water Act:

"Whether the sale or other disposition takes place in the ordinary course of business, or as an independent venture or transaction, or in the course of realization of capital assets, or in the course of the winding up of business, or otherwise. The minister shall have full discretion as to the manner of determining the amount of such increment or profit in any case."

Exempt Insurance Under New B. C. Law

From Our Own Correspondent.

VANCOUVER.—One of the features of British Columbia's new schedule of inheritance taxes is provision for complete exemption for life insurance up to $50,000. Holders of life insurance to a larger amount than $50,000 pay death taxes only on the amounts over that figure.

Stock Issue for Dominion Stores Deemed Unlikley

Reports that Dominion Stores shareholders shortly will be given an opportunity to acquire additional stock at figures somewhat below what would be normal market value of such stock, may be either a cause or an effect of rising market values in the outstanding common of this company.

There is nothing tangible from the directors or management of the company which would lead investors to expect an additional issue of stock of Dominion Stores. In the absence of either a definite affirmation or denial it is considered more logical to guess that there will be nothing of the kind, at least in the near future.

Dominion Stores last year redeemed its preferred stock. The tendency, generally, is to keep capitalization consistently low. It is known that earnings are considerably above dividend requirements and while new stores are being opened as rapidly as organization facilities permit, it is said that the company has ample capital for expansion without going into the market or asking shareholders to buy additional shares.

DOMINION COAL IS CONTROLLED BY STEEL CORP.

Only Paying Unit in Besco Will Go Into Liquidation With Besco

REJECT WOLVIN PLANS

National Trust Co., in Petition, Says His Suggestions Were For Benefit of Re-organization Managers

Under the Wolvin-Hoyt plan for dissolution and reorganization of Besco and Dominion Steel Corp. the reorganization managers would receive $2 commission on 230,000 shares of stock. Thus the cost of the reorganization would be not less than $460,000.

This plan and its modifications proposed by the Wolvin group were rejected by National Trust Company.

The fate of the Dominion Coal Co. in the forthcoming liquidation of the British Empire Steel Corp. and the Dominion Steel Corp. has been the subject of discussion in some quarters, where it has been contended that, as Dominion Coal Co., alone of the units of the parent companies, is paying its way, it cannot be placed in receivership and, therefore, cannot be liquidated.

The fact is that Dominion Coal Co. will be included in any liquidation or reorganization of the Nova Scotia coal and steel industry involved by the expected liquidation of Besco and Dominion Steel. Dominion Steel Corp. owns all of the common stock of Dominion Coal Co. and thus controls the destiny of the subsidiary. When Dominion Steel Corp. is sold, Dominion Coal Co. naturally will be sold as one of the assets of the parent company in process of liquidation.

Reject Wolvin Plan

Decision is expected momentarily on the petitions of National Trust Co. to the supreme court of Nova Scotia to have Royal Trust Co. named liquidators of both British Empire Steel Co. and Dominion Steel Co. National Trust Co., on March 21, secured from the court leave to apply for an order to wind up both corporations. National Trust Co., having secured permission to acquire one share of both corporations, is acting as a shareholder, and in behalf of bond holders and with the concurrence of committees of preference shareholders as well as bondholders.

Various plans of Roy M. Wolvin, president of Besco, and associates, for dissolution of Besco and the reorganization of Dominion Steel Corp. are discussed at length on the formal petition relating to Besco. The negotiations between the Wolvin group and National Trust Co. were begun last May and have continued up to January this year, when relations appear to have been broken off with the National Trust Co.'s decision that the original plan broached bv Wolvin and Richard F. Hoyt, another director, could not be agreed to.

Confidence is Lost

"National Trust Co.," reads the petition regarding Besco, "has naturally lost confidence in the management of the corporation." It is added that "while your petitioner admits that the capital of the corporation is greatly impaired, it cannot admit, as trustee for the holders of the consolidated bonds, that the interest of the holders of the second preference shares of the corporation has been entirely lost, nor as receiver could it make such admission.

"Your petitioner is convinced that the plans and suggestions for the dissolution of the corporation and of the Dominion Steel Corp. are grossly unfair to the preference shareholders of the Dominion Steel Corp. (and the corporation is the holder of such shares to the extent of $2,295,000 par value), and that the adoption of any of said plans or suggestions would result in the diversion of assets of Dominion Steel Corp. and the corporation (Besco) from the shareholders thereof to the underwriters and reorganization managers hereinbefore mentioned and—or those of the shareholders of said corporation who might be willing and able to exercise the subscription rights proposed to be given to them."

In the next paragraph of the petition it is stated that "in view of the widely scattered and diversified hold-

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Close of First Quarter Sees Business in Healthy State
Profits in 1927 Will Likely Measure Up to Those in 1926
Heavier Imports Continue to Feature Foreign Trade
Rumored Provincial Elections Will Not Hamper Business

WITH the close of the first quarter, a survey is possible of the major trends of industry and prospects of business for the first half of the year. It is apparent that the volume of business has, generally speaking, been as great as in the opening months of last year. Some lines have failed to record improvement, but the loss in this respect has been offset by substantial gains in other industries. The point in question among business men now is—will profits be as good in 1927 as in 1926? There is a great diversity of opinion on this question, depending upon the line of work engaged in.

Certain standard indices of the trend of business in the United States have of late appeared unfavorable. And though Canadian business follows closely that across the line, it is interesting to note that setbacks experienced in the States have not yet appeared in this country. Moreover, we appear to have made greater gains in major industries, which would indicate that insofar as volume is concerned, there should be no severe reaction during the balance of the year. Prices of key commodities, on the whole, have remained steady and on account of these two favorable factors, it is reasonable to assume that profits will measure up to those recorded last year.

In some important branches of industry, production and consumption have been smaller this year than a year ago. Iron and steel and automobile production are instances in point. It should be pointed out, however, that output of motor vehicles last year was the highest ever recorded, likewise consumption, and though the first two months of the current year show a falling off, the decrease is so small that it has no particular bearing on the situation.

Substantial Gains Recorded

On the other hand, we have striking increases in the value of construction, newsprint output, bank debits, immigration, etc. The amount of new building undertaken in January and February last was the largest since 1913 and 1914. Much of this is industrial work, but the report of city building permits also indicate an unusually active building program. Newsprint output is rapidly approaching capacity, owing to heavy demands from the United States. New mills are being erected and additional machines installed, which ensures for Canada the lead among world newsprint producers, despite any threat of over-production. Bank debits, representing the dollar volume of business, have not failed to record so far a healthy increase over last year's business.

Moreover, the government's index of manufacturing activity, has been on a higher level during the past two months than in corresponding period of 1926, or for that matter, any year since 1920. This is encouraging in view of the wholly exceptional industrial achievement of the past year. Some of the items going to make up this index, of course, have not kept pace with the general list. The falling off in production of one or two industries is owing to the visibily reduced volume of export trade with foreign countries. Wheat flour output is a typical example of this condition. The European market has failed to take its usual quantity and the loss of trade in this direction has caused a number of mills to curtail production. An improvement is expected shortly.

Along the same lines, aggregate foreign trade is showing marked improvement and for the fiscal year 1927, should exceed that of the preceding year. In the eleven months ended February last, trade amounted to $2,295,571,193, as compared with $2,221,614,519 in the same period a year ago. Exports are slightly less than last year, but are greater than in 1925. Imports, however, have increased in every division. The drop in exports is largely due to the smaller crop of last year. Animal products also decreased, but aside from these two items the list compares favorably with that of the preceding year.

It will be seen from the foregoing that the present business situation is not without promise and the likelihood of a revenue equal to that of last year. The Federal political situation of recent months has been conducive to the well-being of business. The provincial situation, however, is not so peaceful. It is said that Saskatchewan, Manitoba, Quebec and Prince Edward Island will each have a general election this year, probably late in the fall. The contests are likely to be bitter in the first three named provinces and business may be temporarily set back under the readjustment. The strength of the existing governments precludes any violent shaking up of administration.

Extensive Public Works

Early announcements of development work to be undertaken by the Canadian railways this year, have been followed up by more detailed statements. It now appears that more money will be spent on maintenance, new buildings, hotels, extensions, etc., than has been the case for some time. The provinces, in addition, have made public their intended expenditures for 1927. Highways and bridge work seem to constitute the principal activity of each province and the amount of money expended along these lines will total several millions of dollars. The Federal Government's program is not so extensive, but the aggregate on public works will probably be in excess of that for last year.

C.P.R.'S SMELTERS WORTH $60,000,000

Yet Carried on Balance Sheet at Purely Nominal Figure

From Our Own Correspondent.

MONTREAL.—At the conclusion of its 1926 fiscal year, the Canadian Pacific Railway report shows that its holdings of Consolidated Mining and Smelting Company of Canada amount to 243,541 shares. These figures compare with holding of 231,413 shares at the close of 1925, and is just some 10,000 shares lower than 50 per cent. of the subsidiary company's stock outstanding. Consolidated "Smelters" has 507,012 shares of $25 par value issued.

There is one interesting point regarding the company's holding of "Smelters." In the C. P. R. balance sheet, among its assets, there is an item, miscellaneous investments, carried at $24,523,843. This figure represents the cost of the company's investments in the Consolidated Mining and Smelting Company, the Canadian Pacific Express Company, the Soo Line, the West Kootenay Power and Light preferred stock, and several other issues of railway stock holdings, and holdings of some other securities.

The par value of the C. P. R.'s holdings of Consolidated Mining and Smelting stock amounts to $6,088,525, and the market value, figured only on $250 per share basis, amounts to $60,885,250. Thus, the market gives a valuation to the railways holdings of "Smelters" of almost two and one-half times the figure at which the company carries all these miscellaneous investments on its balance sheet. Such conservative accounting in this one instance perhaps provides an index of the accounting methods which the management pursues in presenting its record of stewardship to the shareholders.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Last Year	This Year to Date	Last Year
Production—(February)—				
Pig iron, tons	50,695	49,746	102,412	106,390
Steel, tons	55,620	53,157	114,171	121,693
Newsprint, cwts.	150,773	135,663	312,497	275,351
Automobiles	18,655	18,838	34,031	30,619
Boots and shoes, pair (Jan.)	1,407,163	1,148,198	1,407,163	1,149,198
Flour, bbls. (Dec.)	1,715.000	1,738,000	....	....
Construction—				
Contracts awarded (Feb.)	$19,516,700	$13,477,600	$36,238,700	$26,146,600
Building permits (Jan.)	$5,429,299	$ 4,719,534	$ 5,429,299	$ 4,719,534
Labor—Employment index (Feb.)	95.4	90.7	....	....
Transportation—				
Car loadings (to Mar. 19)	62,153	56,985	665,781	605,870
C.P.R. gross (Feb.) in $	13,367,502	12,613,007	27,802,871	26,083,139
C.P.R. net (Feb.) in. $	1,968,198	1,905,930	3,478,433	3,706,889
C.N.R. gross (Jan.) in $	19,207,035	18,337,076	39,375,294	37,038,230
C.N.R. net (Jan.) in $	1,424,242	1,423,573	3,458,596	3,151,955
Population—				
Immigration (Feb.)	5,521	4,396	9,685	6,720
Emigration (Jan.)	5,409	....	5,409	....
Trade—				
Imports (Jan.)	$78,806,000	$69,736,000	$78,806,000	$69,736,000
Exports (Jan.)	$85,266,000	$85,716,000	85,266,000	$85,716,000
Imports of key products (Jan.)—				
Rubber, lbs.	4,336,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	21,278,207	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	52,222,000	38,332,000	52,222,000	38,332,000
Coal, tons	1,562,996	1,209,261	1,562,996	1,209,261
Exports of key products—February—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Jan.)	5,296	3,760	5,296	3,760
Wheat, bus.	11,421,705	14,073,853	.....	27,271,853
Wheat Flour, bbl.	748,499	841,681	....	1,558,412
Finance—				
Failures, number (Jan.)	191	184	191	184
Failures, liabilities, (Jan.)	$2,626,291	$2,921,629	$2.626,291	$2,921,629
Bank debits (Jan.)	$2,619,000,000	$2,368,000,000	$2,619,000,000	$2,368,000,000
Bond sales (Feb.)	$22,266,471	$121,688,799	$74,119,629	$155,033,502
Stock prices (Mar. 12)	....	....	265.0	171.1
Insurance sales (Jan.)	$36,820,000	$33,600,000	$36,820,000	$33,600,000
Wholesale rices (1913-100)—February—				
General index	....	....	150.1	162.0
Pig iron	....	....	144.4	146.8
Cotton	....	....	116.6	174.5
Grains	....	....	157.7	166.7
Cattle	....	....	102.9	106.1
Rubber	....	....	60.0	95.9

SUGGEST STORAGE PLANTS IN WEST AS MARKETING AID

British Columbia Also to Appoint Fruit Marketing Commissioner

From Our Own Correspondent.

VANCOUVER.—Stable price control and cold storage facilities will go further than anything else in putting British Columbia's agricultural industries on a satisfactory financial basis, according to an important report presented to the provincial government by Markets Commissioner J. A. Grant, whose territory is the prairies.

According to Mr. Grant, reckless price cutting and uncontrolled shipments on consignment, together with the lack of adequate storage equipment, form the two greatest difficulties facing producers in this province.

Need Cold Storage

The marketing system at the disposal of British Columbia horticulturists is one of the chief reasons why the producers of this province have been obliged to play second fiddle to Washington and California on the prairie market, in Mr. Grant's opinion.

The Grant report states that cold storage facilities in prairie centres are adequate for more fruit than is offered for storage, but the lack of orderly marketing of the crop prevents the use of such facilities. Shippers, desiring to get immediate returns, force the market at unprofitable prices.

May Name Duncan

The difficulties of the present situation are expected to be largely cleared up with the appointment of the committee that is to administer the new marketing control legislation passed at the recent session of the legislature. The appointments to this committee, which will have a membership of three, will be made shortly. Lewis Duncan, Toronto lawyer, who was in charge of the investigation into the Nash fruit combine, is mentioned among the possible appointees. The job will carry a salary of about $7,500 a year, and if Mr. Duncan is named he will act as chairman. If he declines, the office may go to someone interested in fruit organization work on the Niagara peninsula or in some other eastern field. It is unlikely that a British Columbian will be named, as the government is determined to avoid making an appointment that could be construed as showing preference towards one or the other factions involved in the fruit marketing situation.

PRODUCERS ADOPT STANDARDIZED BRICK

Result in Lower Expense and Prove Boon to Entire Construction Industry

Manufacturers and construction interests in Canada have formally approved of a standard size for bricks and plans are now being arranged by the Canadian Engineering Standards Association for preparation of a specification. A short time ago the Canadian National Clay Products Association, at their convention in Toronto, passed a resolution recommending the standardizing of the following sizes: common brick, 8 x 2½ x 3¾; rough face brick, 8 x 2½ x 3¾; and smooth face brick, 8 x 2½ x 3⅞. These are the sizes that have been adopted by the combined interests and producers are to take immediate steps to manufacture on this basis.

The adoption of the standard sizes of brick will result in benefit to the entire construction field. The brick is in reality the basis unit of construction, and on its size depend the sizes of mill work, steel sash, cut stone, tile, etc. From the standpoint of the manufacturer, it will now be possible to make definite plans for manufacture. There will not be the necessity for making and stocking a great variety of sizes, which will greatly reduce the present storage charges, and reduced cost of manufacture will eventually result.

With the adoption of the standard sizes of brick, construction men will be able to make closer estimates on quantities, tenders will be on a more uniform basis, freight charges will be reduced, and labor costs can be figured with more accuracy.

Prepared to Adjust Sizes

The clay tile interests are quite prepared to adjust their sizes to any standard which is adopted, and, as a matter of fact, welcome this movement, as the present variety in brick sizes complicates their problem to an unreasonable extent.

The standardizing of brick will also make for more efficient work, as the time now lost by the workmen in making adjustments for various sizes of brick will be eliminated, and work can be made more systematic. There will, of necessity, be a period of adjustment following the adoption of the standard sizes proposed, but the ultimate result will undoubtedly make for reduced construction costs.

Arrangements are now being made by the association to have the resolution made at the conference officially approved by all interests, and the association committee will then prepare a specification which will be submitted for the approval of the main committee of the association for publication and circulation among all the construction, technical and manufacturing interests involved.

Fishery Operations Hampered By Unfavorable Weather

Unfavorable weather conditions affected the catch of sea fish on both coasts of Canada during February, when 26,231,600 lbs., valued at $467,134, were landed, as compared with 35,769,500 lbs., worth $570,132, in the same month a year ago.

The total catch of cod, haddock, hake and pollock on the Atlantic Coast was 4,228,000 pounds, compared with 3,434,600 pounds in the preceding February. Increased catches are recorded in cod, haddock and hake. The greater part of these catches was landed by the steam trawlers.

A considerable increase is also noted in the catch of smelts, there being 1,603,000 pounds landed during the month, compared with 1,415,900 pounds during the preceding February.

The halibut fishing season re-opened on the Pacific Coast during the month with only 126,400 pounds of these fish being taken, as compared with 580,900 pounds taken during the same month last year.

There was a considerable decline in the catch of herring, there being 17,567,300 pounds taken during the month under review as compared with 28,121,100 pounds during the same month of the year previous.

Improved Market For Wool Expected in 1927

Although wool production is increasing in almost every country, and particularly on this continent, in Europe and Australia, leading experts in the United States look for an improved market this year. According to Mr. Albert H. Elliott, vice-president of the Boston Wool Trade Association—and Boston is the second wool trade centre of the world—it would appear that the cycle of low prices has been completed and values are about to improve. He points out that the immense stocks which accumulated some time ago have been disposed of, and that there is a far healthier tone in the great consuming markets of Britain and Continental Europe. "The evidence is that the wool using population of the world," he concludes, "is growing a little faster than any possible increase that can come in wool production."

The world's total production of wool in 1926 amounted to over three billion pounds, and showed an increase of three per cent. over the year previous. Particularly heavy increases were reported in Australia, New Zealand, United States, and Spain. South Africa was the only important sheep country to register a decline.

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OFFER AT MARKET MASSEY HARRIS CO. PREFERRED STOCK

Block Recently Acquired by Syndicate is Regarded Well as Investment

As forecast in the last issue of The Financial Post, preferred stock in Massey-Harris Co. is being offered the public at the market price of about 109, and accrued dividend. The block being offered by Wood, Gundy & Co. has a par value of $3,394,000. It is understood to represent the purchases of the Bradshaw-Gundy syndicate from the Massey Foundation, Hon. Vincent Massey, and various estates several weeks ago when American interests made a bid for control of the property.

The total outstanding preferred stock has a par value of $12,089,900, so that the block now being offered represents somewhat more than 25 per cent. of the total and about one-seventh of the voting power vested in the common and preferred stock. The preferred stock in the Massey-Harris Co. has equal voting power with the company. In the recent split of the common of $100 par value into four shares of no-par value, it was stipulated that the new common would carry one vote for each four shares held.

Preferred stock in Massey-Harris Co. is 7 per cent. cumulative, and is callable at 110 and accrued dividend. It is preferred as to assets as well as dividends and there are no prior claims on any of the assets of the company except current bank loans, etc., and the contingent liability of the Massey-Harris Harvester Co., Batavia, N.Y. This company has outstanding $1,600,000 of debenture notes. The original issue was $4,000,000 but the notes have been retired rapidly out of earnings. Massis-Harris Co. owns 99 per cent. of the stock of the Batavia company.

Management is Good

Massey-Harris Co. has had a long and successful history, the record being one of continuous growth except in the post-war deflation period when the agricultural peoples throughout the world were undergoing very severe distress and drastic readjustment. The present management of the company is considered to be remarkably efficient and with the parent company deriving revenues from no less than 45 countries, on every continent, it is believed that only the most prolonged and unforeseen world-wide distress so seriously can impair the prospects of the company as materially to detract from the merit of investment in the preferred stock.

Capitalization is Low

Capitalization of Massey-Harris Co. is low. While the company has something like $25,000,000 of fire insurance on its physical properties, the balance sheet shows factories, land and equipment, and branches as worth $8,516,222 and the investment in the United States and French subsidiaries as worth $3,101,617. Current assets as at November 30, 1926, total $29,344,788.

Earnings for the last fiscal year were shown at $1,995,768 after liberal write-offs for depreciation, etc. The preferred dividend requirement is $846,293 annually.

New Sydney Wharf to Aid Port Growth

From Our Own Correspondent.

SYDNEY.—Important development of port trade, particularly with Newfoundland, is expected to result from governmental action to provide the city with an adequate C.N.R. terminal wharf. This week a water front site was purchased for $68,000 by the Public Works department from private owners, and construction is promised for next summer. Meanwhile C.N.R. engineers are preparing to build a long spur to connect the wharf with the present terminal yards on the other side of Battery Point. The extensive coal and ore piers here are unsuitable for handling of general commercial freight.

PACIFIC PROVINCE ANXIOUS TO AVOID POWER MISTAKES

Plans Big Power Development Policy to Encourage Expansion

From Our Own Correspondent.

VANCOUVER.—British Columbia is to have a definite hydro-electric policy, the main purpose of which will be to prevent wastage of the province's valuable waterpower resources and the encouragement of industries.

Steps are being taken by the provincial government to ascertain the general nature of the hydro-electric programmes in Winnipeg and in the provinces of Ontario and Quebec as well as in United States cities and states so that in drafting a policy that will be applicable to British Columbia, the mistakes made by other places may be avoided.

Uses Small Part of Total

In spite of the vast potential waterpower available in this province, British Columbia at present utilizes only about 297,000 horsepower, practically all of this being developed by the B.C. Electric Railway Company at the coast and the West Kootenay Light & Power Company, which provides power for the vast works of the Consolidated Mining and Smelting Company at Trail and nearby centres. Apart from these corporations the only sizeable power projects in operation in the province are those of pulp and paper companies which do not enter the field of general power service.

The trend of pulp and paper development during the past year, however, represented by the reorganization of practically all existing companies operating in the province with a view to increased production and general expansion, is taken by the government as a safe hint that it is time to take stock of the province's waterpower resources and make plans for their efficient utilization.

Discovery that the Chilco River, in the interior of the province, is capable of providing 1,000,000 horse power—the greatest single source of waterpower in the province—is another thing that has hastened the government in preparing for a closer analysis of the province-wide situation.

The prospective waterpowers available in the Chilco or Whitewater district are said to be almost staggering in their size. Representing, it is reported, about 1,000,000 horsepower—or more than the entire power produced in the operations of the great Ontario Hydro-Electric project, which produced 896,000 horsepower. Altogether, Ontario waterpowers, including those of Niagara Falls, produce 1,459,000 horsepower, or less than half as much again as the newly discovered British Columbia area is said to contain.

Quebec has developed only 1,410,000 horsepower through the harnessing of natural waterpowers. With the Chilco power added to the power already under development British Columbia will be placed on a par with Quebec. Further expansion is contemplated at Campbell River, where 100,000 horsepower is reported available and will be utilized by a new pulp and paper concern.

The Pigott-Healy Construction Co., of Hamilton, has secured the contract for the new Loretto Abbey, just north of the Toronto city limits. It is said that the building will be a masterpiece of gothic, monastic design; will be fireproof and have a gymnasium and swimming pool among its conveniences.

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April Dividend Payments

Dividends	24,392,862
Bond Interest	25,050,209
Total	$49,443,071

Industrials, Utilities, Etc.

Company	Rate	Date	Amount
Abitibi Paper, com.	$1q	20	$ 250,000
Do., pref.	1¾q	1	17,500
Amer. Cyanamid, com.	....	..	.....
Do., pref.	1½q	1	83,938
Amer. Salesbook, com.	$1q	1	30,733
Asbestos Corp., pref.	1¾q	15	130,487
Alberta Pac. Gr., pref.	1¾q	1	52,500
Belgo-Can. Paper, com.	1½q	11	127,500
Do., pref.	1¾q	1	87,500
Bell Telephone	2q	15	973,892
Brand-Henderson, pref.	1¾q	1	8,759
Brant. Cordage, pref.	2q	15	38,906
Brazilian Trac., pref.	1½q	1	150,000
Brit. Amer. Oil	20cq	1	215,392
Burt, F. N., com.	75cq	1	79,541
Do., pref.	1¾q	1	1,723
Building Prod., pref.	1¾q	1	13,006
Brompton Pulp, com.	50cq	16	70,000
Can. Bread, pref. (A)	1¾q	1	21,875
Do., pref. (B)	1¾q	1	43,750
Can. Canners, pref.	1q	1	91,142
Canadian Car, pref.	1¾q	9	131,250
Canada Cement, com.	1½q	15	202,500
Can. Conn. Cot., pref.	1q	1	30,000
Can. Cottons, com.	2q	4	54,310
Do., pref.	1½q	4	54,922
Can. Explos., pref.	1¾q	15	81,375
Can. Gen. Elec., pref.	1¾q	1	149,759
Can. Indust. Alcohol	32cq	15	256,000
Can. Loc., pref.	1¾q	1	26,250
Can. Nor. Pr., pref.	1¾q	15	83,125
Canadian Oil, pref.	2q	1	40,000
Can. Pac. Rly., com.	2½q	1	6,500,000
Do., pref.	2s	1	2,002,970
Canadian Salt	2q	1	30,000
Can. Westinghouse	2q	1	148,658
City Dairy	75cq	1	16,950
Do., pref.	1¾q	1	12,750
Consumers' Gas	2½q	1	240,000
Can. Paperboard, pr.	1¾q	1	5,250
Can. Fair. Morse, pr.	1½q	15	22,500
Consolid. Sand, pfd.	1¾q	1	7,262
Can. Steamships, pfd.	1½q	1	225,000
Dom. Engineering	2q	1	44,466
Dome Mines	50c	20	476,667
Dom. Glass, com.	1¾q	1	74,375
Do., pref.	1¾q	1	45,500
Dominion Stores, com.	60cq	1	45,000
Dom. Power, pref.	1¾q	15	74,182
Dom. Textile, com.	$1,25q	1	281,250
Do., pref.	1¾q	15	33,960
Duluth-Sup. Tr., pref.	1q	1	15,000
Dunlop Tire, pref.	1¾q	1	10,500
Donnaconna Pap., pr.	1¾q	1	29,312
Fraser Co.'s., com.	½q	1	50,000
Do., pref.	1¾q	1	40,687
Gilman Fanfold, com.	1½q	1	15,000
Do., pref.	1¾q	1	13,125
Goodyear Tire, pref.	1¾q	1	78,750
Do., pref., prior	1½q	1	60,371
Goodyear Cot., pref.	1¾q	1	8,312
Gould Pumps, com.	1½q	1	11,212
Greening Wire, pref.	1¾q	1	11,375
Do., pref.	1¾q	1	13,080
Do., pref.	1¾q	15	12,349
Hill. Collieries, com.	1½q	15	15,000
Hollinger Mines	2m	..	492,000
Holt, Renfrew, pref.	1¾q	1	17,500
H. Smith Paper, pref.	2q	11	31,994
Illinois Traction, pref.	1½q	1	109,342
Inter. Paper, pref.	1¾q	15	506,311
Do., pref.	1½q	15	43,318
Inter. Utili., (A)	87½cq	15	111,517
Inter. Power, pref.	1¾q	1	70,000
Jamaica Pub. Ser., pr.	1¾q	1	13,125
Kerr Lake Mines	6c	15	36,000
Laurentide Paper	1½q	1	432,000
Laurentide Power	1¼q	15	131,250
Laura Secord, pfd.	x2 1-3	1	17,500
Mount Royal, pfd.	1½q	1	98,314
Mont. L. H. Cons.	50cq	30	1,020,918
McKinnon Indus., pfd.	1¾q	1	17,500
Mackay Cos., com.	1¾q	1	724,157
Do., pref.	1q	1	500,000
Maple Leaf Mill., pfd.	1¾q	18	51,275
Montreal Telegraph	2q	16	40,000
Maritime Teleg., com.	1½q	1	12,750
Do., pref., (A)	1½q	1	15,000
Do., (B)	1¾q	1	26,250
National Grocers, pfd.	2q	1	20,000
Do., 2nd pfd.	1¾q	1	48,772
Nat. Breweries, com.	$1q	1	180,265
Do., pref.	1¾q	1	48,562
Nipissing Mines	3q	20	180,000
North Star Oil, pfd.	1¾q	1	17,500
North Mex. Pr., com.	1q	15	100,000
Do., pref.	1¾q	1	52,500
Nor. Can. Pr., com.	¾q	10	45,000
Ogilvie Flour, com.	$1.25q	1	93,750
Ottawa L., H. & Pr.	1½q	1	52,500
Do., pref.	1⅝q	1	24,375
Ott. Mont., Pr. pfd.	1¾q	15	13,125
Ottawa Traction	1q	1	55,815
Pacific Burt, com.	1½q	1	9,813
Do., pref.	1¾q	1	11,301
Page Her. Tubes, c.	75cq	1	82,840
Do., pref.	1¾q	1	52,500
Penn. Water & Pr.	2q	1	214,924
Porto Rico Rlys, pfd.	1¾q	1	17,500
Pr. Corp. of Can., pfd.	1½q	15	37,500
Price Bros., com.	½q	1	213,416
Do., pref.	1⅝q	1	118,750
Premier Mining	8cq	14	400,000
Prov. Paper, com.	1½q	1	52,500
Do., pref.	1¾q	1	29,750
Pressed Metals, pref.	1¾q	1	3,727
Pt. Alfred Pulp, pfd.	1¾q	1	70,000
Qu. & Tr. Vall. Pr. pfd.	1¾q	1	5,250
Quebec Power, com.	1¾q	19	133,328
Rogers, Wm. A., pr.	1¾+1¾q	1	19,649
Shawinigan W & P.	50cq	11	550,000
St. Maur Valley, pref.	1¾q	1	75,250
St. Law. Paper, pref.	2q	..	50,000
Tooke Bros., pref.	1¾q	15	17,237
South. Can. Pr., pref.	1½q	15	72,971
Span. Riv. Pulp, com.	1¾q	16	165,322
Do., pref.	1¾q.	16	150,841
Sterling Coal	1q	1	25,000
Stanfields, Ltd.	25cq	10	2,250
Trinidad Elec.	1¼q	10	14,550
Tuckett Tobacco, com.	1q	14	25,000
Do., pref.	1¾q	14	35,000
Twin City, com.	1q	1	220,000
Do., pref.	1¾q	1	52,500
Wabasso Cotton	$1.00+50c	2	52,500
W. Kootenay Pr., pref.	1¾q	1	8,750
Winnipeg Elec., pref.	1¾q	1	52,500
Woods Mfg., pref.	1¾q	1	26,746
Western Grocers, pref.	1¾q	15	20,899
Vipond Cons. Mines	3	15	60,000
			$22,864,192

Banks

Company	Rate	Date	Amount
Dominion	3q	1	$ 180,000
Montreal C. & D.	$2.50q	1	49,952
Nova Scotia	4q	1	400,000
			$ 629,952

Trust, Loan and Insurance

Company	Rate	Date	Amount
Canada Landed	2½q	1	30,125
Canada Perm. Mort.	3q	1	210,000
Central Can. Loan	3q	1	52,500
Canada Life	5q	1	50,000
Chartered Trust	1¼q	1	11,718
Can. Perm. Trust	1¼q	..	12,500
Crown Trust	1½q	1	7,500
East. Can. Savings		..	.....
Eastern Trust	2q	1	20,000
Guar. of N. America	3q	15	9,138
Hur. & Erie Mtge.	1¾+½q	1	112,500
Imperial Life	3¾q	1	28,125
Lon. & West. Trust	2q	2	10,000
Montreal Trust	4¼q	15	42,500
National Life	2½q	1	6,250
National Trust	3q	1	67,500
Royal Trust	4q	1	40,000
Sun Life Assur.	3¾q	1	47,750
Ont. Loan & Sav.	2½q	2	15,000
Royal Loan & Sav.		..	.....
Toronto Gen. Trusts	3q	1	60,000
Toronto Mortgage	2½q	1	18,112
Toronto Sav. & Loan	3q	1	30,000
Union Trust	1¾q	1	17,500
			$898,718

q—Quarterly.
s—Half-yearly.
m—Monthly.
x—For 4 months.

Bond Interest Due in April

Company	Rate	Int. Date	Due	Amount
Amer. Salesbook	6	1	1939	$ 30,000
Algoma Steel	5	1	1962	384,157
Atlantic Sugar	5	1	1941	98,175
B. C. Electric deb.	4½	15	....	20,994
Bran.-Henderson	6	1	1936	8,988
Canada Cement	6	1	1929	136,293
Can. Cons. Felt	6	1	1940	7,710
Can. Paperboard	7	1	1937	24,850
Can. Niagara Power	6	1	1932	194,400
Can. Pac. Rly.	5	15	1934	300,000
Can. Steamships	6	1	1941	540,000
Cons. Glass	5	1	1935	13,750
Can. West. Gas	5	15	1936	42,547
Dom. Rubber	6	1	1946	78,000
Goodyear Cotton	6	1	1941	9,090
Davidson Mfg.	6	1	1942	6,267
Dominion Canners	6	1	1940	41,070
Dryden Paper	6	1	1928	9,120
Do.	6	1	1945	33,000
Dom. Power & Trans.	5	1	1932	139,550
East. Koot. Power	7	1	1942	69,335
Gould Pumps	6	1	1942	22,260
Gt. North. Rly. Can.	4	.	....	28,974
McKinnon Industries	6½	1	1945	32,500
Milton Brick	6½	1	1940	11,376
Mont. L.&P. (L'chine)	5	1	1933	70,800
Mont. Tram. & Pr.	6	1	1929	240,000
Montreal Trams. (A)	5	1	1955	445,662
Inter. Paper	6	1	1941	750,000
Montreal L. H. & Pr.	5	1	1951	750,000
Minn. & Ont. Paper	6	1	Serial	480,000
N.S. Tram. & Pr.	7	1	1952	51,380
Port Alfred Pulp	6½	1	1943	163,882
Pacific Burt	6½	1	1937	10,513
Penn. Water & Pr.	5½	1	1953	67,500
Prov. of Ontario	5	15	1948	1,000,000
Shaw. Water, Pr. "D"	5½	1	1954	33,750
Do. "E"	5	1	1955	25,000
Simpson, Ltd.	6½	1	1945	182,000
Southern Can. Pr.	5	1	1955	150,000
Rio Jan. Tr. 2nd mtg.	5	..	1958	582,210
Northern Ont. Bldg.	6½	1	1939	27,675
Quebec Power	6	1	1953	106,200
Tooke Bros.	7	1	1942	11,147
Woods Mfg.	6	1	1943	26,220
Winnipeg Elec.	6	1	1954	210,000
Do., Ref. Mtg. Stock	5	2	1954	109,500
Corporation		..	....	$7,775,754
Municipal Bonds		..	....	x4,062,500
Provincial Bonds		..	....	x3,199,032
War Loan	5	1	1931	1,323,290
Victory Refund	5	15	1928	1,325,000
Do.	5	15	1943	3,675,000
Do.	4½	15	1944	1,125,000
Pub. Ser. Loan (1916)	5	1	1931	625,000
Dom. Loan 1897	2½	1	1947	61,101
Dom. Loan 1913-14	4	1	Bet. 1940-60	1,878,532
Total				$25,050,209

xFigure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

TWENTY-THIRD ANNUAL REPORT OF THE CANADIAN WESTINGHOUSE COMPANY, LIMITED

DIRECTORS

H. H. WESTINGHOUSE, Chairman of the Board
PAUL J. MYLER, President
L. A. OSBORNE, Vice-President F. A. MERRICK, Vice-President N. S. BRADEN, Vice-President
T. AHEARN SIR JOHN M. GIBSON, K.C.M.G. JOHN F. MILLER CHARLES A. TERRY GENERAL GUY E. TRIPP

H. U. HART, General Manager and Chief Engineer
GEORGE R. KERR, Treasurer
W. E. SPRAGUE, Secretary

The Directors submit herewith the customary Balance Sheet of the Company at the close of the fiscal year ended December 31st, and a statement of the Profit and Loss Account. These show earnings for the year amounting to $1,796,741.79, from which the sum of $250,000 has been written off for depreciation of property and plant; a provision made of $140,000 for the payment of Dominion Taxes for 1926, and $40,000 has been transferred to the Pension Fund, leaving net profits of $1,366,741.79.

Dividends at the rate of eight per cent. and an extra dividend of two per cent. were paid, amounting to $743,290.00, leaving a balance of $623,451.79 carried forward to Profit and Loss, which account shows as of December 31st, 1926, a surplus of $4,244,993.04.

The foregoing figures show an improvement over those for the previous year commensurate with the general betterment of commercial conditions during 1926, and were brought about not through spasmodic expansion of any particular branch of your Company's business but through normal healthy increase of activity in almost every Department.

Restoration of public confidence and more stable conditions generally have been undoubtedly brought about to some extent by the decisive result of the last Dominion elections. The consequent improvement in business, and in the traffic and earning figures of the railways, has, in turn, tended to further inspire faith in the immediate future.

Dealing more particularly with your Company's activities, the electrical equipment of new pulp and paper plants and of extensions to existing plants was responsible for a fair share of our total business, coupled with the trend towards the development and operation of power plants by these companies not only for their own purposes but for the sale of power to others. There was some activity in street railway equipment and an increased volume of orders was secured by the Air Brake Department; but speaking generally, the total results can best be analyzed by the statement that all the various branches of our Company's operations were on the up-grade during the year. A substantial amount of business booked in 1926 is being carried forward in the shape of unfilled orders for 1927 delivery.

During the year just closed, greater efficiency has been brought about in the Company's organization tending to further improve our former excellent record for meeting deliveries promptly, without involving the slightest departure from the furnishment of apparatus in strict keeping with our reputation for engineering skill in design and high quality of workmanship; all of which has been a large factor in the continued success of our sales efforts.

All inventories taken into the Balance Sheet have, as usual, been verified by physical count and priced at the lower of either cost or market value.

The Board wishes to again place on record its appreciation of the loyal and efficient services of the supervising and operating forces in all Departments throughout the year.

H. H. WESTINGHOUSE,
Chairman.

GENERAL BALANCE SHEET, DECEMBER 31st, 1926

ASSETS

Cash		$ 1,902,702.66
Dominion Government Bonds, etc.		1,206,820.38
Accounts and Bills Receivable		2,123,154.73
Property and Plant:		
Hamilton:—Real Estate; Factories and Office Buildings; Machinery; Tools and Equipment, etc.	$ 5,122,599.28	
District Offices:—Real Estate and Buildings	199,348.82	
Patents, Rights and Licenses	500,000.00	
	$5,821,948.10	
Written off for Depreciation	250,000.00	5,571,948.10
Inventory of Materials and Products on hand including work in process, less collections on account		3,104,336.56
Insurance unexpired and Taxes paid in advance		27,711.99
		$13,936,674.42

LIABILITIES

Capital Stock:		
Authorized	$10,000,000.00	
Issued		$ 7,432,900.00
Current Accounts Payable		906,521.13
Dividend No. 89 Payable January 1st, 1927		297,316.00
Contracts in Progress		314,944.25
Reserve for Depreciation		600,000.00
Provision for Dominion Taxes, 1926		140,000.00
Profit and Loss Account		4,244,993.04
		$13,936,674.42

PROFIT AND LOSS ACCOUNT

Balance Brought Forward January 1st, 1926			$ 3,621,541.25
Earnings, Fiscal Year ended December 31st, 1926		$ 1,796,741.79	
Written off for Depreciation	$250,000.00		
For Dominion Taxes, 1926	140,000.00		
To Pension Fund	40,000.00	430,000.00	
Net Earnings		1,366,741.79	
Less Dividends, 1926		743,290.00	623,451.79
Balance Carried Forward January 1st, 1927			$ 4,244,993.04

PAUL J. MYLER,
President.

N. S. BRADEN,
Vice-President.

AUDITOR'S CERTIFICATE

I certify that I have audited the books and accounts of the Company for the year ended December 31, 1926, have verified the cash and securities belonging to the Company and have been furnished with vouchers for all expenditures. I have obtained all necessary information and explanations, and the above statement, in my opinion, sets forth correctly the condition of the Company's affairs at the above date, according to the best of my information and the explanations given me, and agrees with the books of the Company.

C. S. SCOTT, F.C.A.,
of C. S. Scott & Co.,
Auditor.

Hamilton, Canada, February 16th, 1927.

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues quoted

DOMINION SECURITIES CORPORATION LIMITED

MONTREAL OFFICE 189 St. James Street — Established 1901 E. R. WOOD, President — LONDON, ENG., OFFICE No. 6 Austin Friars

Head Office: 26 King Street East
TORONTO 2

FISH MEETING GRANTS JARVIS $35,000 BONUS

Vancouver Meeting is Enlivened by Lawyer's Questions; Revise Capital

Shareholders of British Columbia Fishing & Packing Co., at the annual meeting held in Vancouver, March 29, approved payment of $35,000 special compensation to Æmilius Jarvis, president, and sanctioned revision of the capital structure as proposed by the directors.

The special compensation to Mr. Jarvis was voted for his work in connection with the purchase of 86-2/3 per cent. of the capital stock of Wallace Fisheries a year ago. This holding since has been increased to 98 per cent. It is said that Mr. Jarvis's negotiations enabled the parent company to purchase Wallace Fisheries at a price considerably smaller than the average of four or five appraisals of Wallace Fisheries which had been made.

According to advices received from the Pacific coast, 28,000 shares were voted in favor of making the payment and 100 shares were voted against. Two lawyers representing a Weston (Ont.) shareholder were present and read a letter which threatened suit against the directors, if the payment were made and against the officers making the payment and the bank paying the check. A number of set questions were asked in connection with the proposal. These were answered.

Authorize Preferred

Otherwise, it is said, the meeting was harmonious. The capital revision authorized is for the issuance of one-half share of preferred, 7 per cent. cumulative ($100 par value per share) and two shares of no-par common stock for each share of ordinary stock of $100 par value at present outstanding.

It is believed by proponents of this change in the capital structure that no conditions can be foreseen which will make it impracticable or unwise for the company to defer payment of $175,000 annually in dividends on the new preferred stock. It is held that the company, now owning 98 per cent of the outstanding stock of Wallace Fisheries, can count as earnings $517,000 for 1926.

The dividend rate on the new no-par stock will probably be either $1.25 or $1. A majority of the board is said to favor the larger payment, which, with the dividend on the new preferred, would be equivalent to 6 per cent. on the old stock. The recent rate has been 5 per cent.

Thomas Ramsay of Hamilton, Ont., was elected a director, succeeding P. R. Gardiner, who recently resigned.

Stock Market

MARKET INDICATOR

20 Industrial Stocks

	High	Low
Week of Mar. 30	94.2	91.2
Week of Mar. 23	93.5	90.5
Month of Mar., 1926	79.6	72.1

9 Bank Stocks

	High	Low
Week of Mar. 30	$239	$238
Week of Mar. 23	240	239
Month of Mar., 1926	227	242

10 Public Utilities

	High	Low
Week of Mar. 30	107	105
Week of Mar. 23	105	102
Month of Mar., 1926	95	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	..	6	3	9
Paper	10	2	4	16
Steel	6	12	22	40
Foodstuffs	12	16	15	43
Utilities	10	3	17	30
Tractions	4	3	7	14
Textiles	4	3	11	18
Industrials	18	11	23	52
Total	64	56	102	222

CANNERS HEADS MAKING EFFORT TO EARN PROFIT

Rumored Changes Unlikely Until Full Preferred Dividends Are Realized

Although there are persistent rumors in financial circles that a capital readjustment is an immediate prospect for Canadian Canners to take care of the 19 per cent. arrears on the preferred stock, whereby the amount of outstanding common possibly would be increased, those close to the management of this company are asserting that nothing of the kind is contemplated.

At present, it is said that the directors are concentrating on the problem of making the company earn its preferred dividend. This, it is believed, will not be an insurmountable task, assuming that the country remains fairly prosperous and that the company continues to be successful in increasing demand for its products. The balance sheet recently published as at the close of the last fiscal year, shows the company to be improving its financial position.

Steady increase in the market value of Canners common stock has been something of a mystery in investment circles in view of the fact that there are 19 per cent. of arrears of dividends on the preferred to be overcome before the common can hope to participate in profits. One explanation of the strength of this common stock, which contrasts strongly with some other non-dividend payers and even with some on which dividends are being paid, is that there is a comparatively small floating supply and that investors have strong faith in the future of the company.

GENERAL ELECTRIC INCREASES GAIN BY 25 PER CENT.

Company Expects Present Year to Result Even Better Than 1926

Canadian General Electric Co. report for 1926, presented to the shareholders at the annual meeting on March 29th, show gross profits, after reserves and taxes, but before providing for depreciation, amount to $1,870,618, which is $253,525 above the 1925 figures, an increase of over 15 per cent.; $700,000 has been written off for depreciation, as compared with $600,000 in 1925. Net profits are $1,170,618, an increase of $236,867, or over 25 per cent.

An interesting feature of the present report is the disappearance of interest charges, the company now having no interest-bearing obligations outstanding. An amount of $599,042 was paid out in dividends on the preference stock, leaving a surplus of net profits over preference dividend requirements of $571,576, an increase of $191,367 over 1925.

Strong Liquid Position

Cash and Dominion government bonds total $1,437,245, as compared with $1,092,119 at the end of 1925, an increase of $345,126. Total current assets at $9,285,872 show an increase of $731,028, while curent liabilities have been reduced by $88,409 to $1,668,181. As a result the ratio of current assets to current liabilities has been raised from 4.9 to 1 to 5.6 to 1. Working capital on December 31, 1926, was $7,617,691, as compared with $6,798,253 at the end of the previous year, an increase of $819,438.

Concentrates Manufacturing

During the year the shipyard property at Bridgeburg and the old electrical supply works in Toronto were disposed of, and the Hotpoint electrical appliance factory was removed from Stratford and consolidated with the Ward Street Works in Toronto, this move being in line with the policy of concentrating manufacturing operations to secure the advantage of quantity production and increased efficiency.

After a careful survey of manufacturing plant and equipment, certain inactive and discontinued equipment has been eliminated from the fixed assets. The gross book value of the equipment in question exceeded the reserves held against same by $618,057, which amount was disposed of by writing off $120,918, and making a special appropriation from profit and loss account for the balance of $497,139.

New Equipment Purchased

An amount of $635,734 was expended during the year, principally at the Peterboro Works, for new machinery and other manufacturing facilities, to improve quality, reduce costs, and increase productive capacity.

Julian C. Smith, of Montreal, who has been prominently identified with electric power and public utility enterprises in Canada for many years, was elected a director to fill the vacancy created by the resignation of F. Gordon Osler.

The report states that new business booked to date in 1927 is larger than during the same period of 1926, and that projected power plants and industrial developments will require a large amount of heavy electrical equipment, with the further statement that a well sustained purchasing power on the part of the general public is expected to maintain and possibly enlarge the sale of electrical merchandise.

Retiring Directors and Officers Re-Elected

The retiring directors were all re-elected for another term, and following the annual meeting, the directors re-elected A. E. Dyment, chairman of the board, D. C. Durland, president, and Stephen Haas, vice-president.

Profit and Loss

Gross profit	$1,870,618	$1,617,092	$1,593,631
Interest	....	83,341	415,158
Depreciation	700,000	600,000	600,000
	$ 700,000	$ 683,341	$1,015,158
Net profits	$1,170,618	$ 933,751	$ 578,473
Prem. on Debs.	....	375,000	....
Adjust. of plant valuation	497,139	....	....
Dividends	599,042	553,541	512,226
Surplus	$ 74,437	$ 5,210	$ 66,247
Prev. bal.	2,749,315	2,744,105	6,629,768
	$2,823,752	$2,749,315	$6,696,015
*Transfer	....	....	3,951,909
P. & L. bal.	$2,823,752	$2,749,315	$2,744,106

*—Transferred to general plant reserve and special reserve.

Nesbitt Thomson Soon to Buy Crescent Dairies

From Our Own Correspondent.

MONTREAL.—Negotiations have been under way for some time leading to the acquisition of the Crescent Dairies of Winnipeg by the Nesbitt, Thomson interests. It is understood that the pourparlers have now reached their final stages and it is expected that the deal will be closed in the immediate future.

The Crescent Dairies is one of the largest companies of its kind operating in the city of Winnipeg and last year the turnover amounted to some $3,500,000. The company does a substantial butter business in addition to distributing cream and milk.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	3½	6
Do., 1 pref. & 2 com.	..	8
Can. Machinery, com.	5	6½
Can. Westinghouse, com.	184	190
Chase, A. W., com.	..	10
Do., pref.	..	80
Farmers Dairy, com.	62	..
Goodyear Tire, 6% pref.	97	..
Gunns, Ltd., pref. (new)	100	103
King Edward Hotel, Deb. A.	76	79
King Edward Hotel, Deb. B.	68	72
Loew's Buffalo, pref.	47	53
Nat. Grocers, 1st pref.	95½	98
Nat. Grocers, com.	2	6
Continental Life, 20% paid	45	50
Crown Life	150	..
Empire Life	26	29
Excelsior Life, 29% paid	66	..
Great West Life	420	440
Monarch Life, 10% paid	35	..
Mortgage Discount, pref.	6¼	6¾
Ontario Equitable	27	30
Re-Insurance	27	30
Security Life, 40% paid	26	31
Sun Life, 75% paid	700	..
Toronto Finance, pref.	2½	3½
Canada Life	800	..
Capital Life, 20% paid	21	25
Farmers Dairy, pref.	100	105
Dom. Combing Units	28	32
Dom. Sewer Pipe	53	56

J. M. EASSON.
Of the firm of Caldow and Easson, elected member of Toronto Stock Exchange

BONDS OF GERMANY MUST BE EXCHANGED SHORTLY BY CANADIAN INVESTORS

(Continued from page 1)

bonds and bonds of the States which have been taken over by the German government can exchange their bonds by forwarding them to the nearest branch of the Banque Canadienne Nationale immediately. The bank makes no charge for exchanging the bonds and in exchange for the old bonds will forward the new reichsmark bonds of the new liquidation loan.

The actual exchange of the old bonds for the new will require several months for the Banque Canadienne Nationale has to forward the bonds to Berlin where they are cancelled and the new reichsmark bonds are issued in exchange.

The German government ruling regarding its bonds does not apply to its bank notes. In September, 1924, the government announced the redemption terms of its outstanding currency issues and holders of the notes obtained one reichsmark for every 1,000 million old marks. But the date for final redemption has since expired and the supreme court of Germany has ruled that the notes not already presented for payment are valueless. Unfortunately, there are many holders of German bank notes who did not take advantage of the government's offer who to-day will only be able to sell such issues as waste paper.

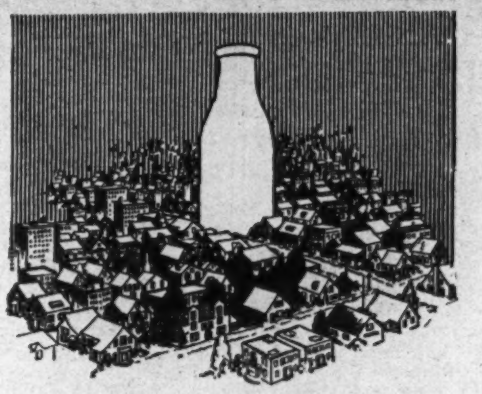
RAILWAY EARNINGS

Canadian Pacific

Week end:	1927	1926	Change
Mar. 21	$3,290,000	$3,129,000	+$161,000

Canadian National

Week end:	1927	1926	Change
Mar. 21	$5,249,272	$5,062,069	+$187,202



A Necessity in Every Home

DAY in, day out—the year round—every home must have its daily supply of milk. It is as indispensable as the water supply and more essential than gas, electricity or street car service.

The application of modern organization methods to the production and distribution of milk has led to greater earning power and larger profits to the companies adopting these methods.

EASTERN DAIRIES
LIMITED
7% PREFERRED
Price 99 to yield 7.07%

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg
568

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDougald & Co.
Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

INVEST YOUR SAVINGS
5½% Interest Return
in a 5½% DEBENTURE of The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

FIRST MORTGAGE LOAN

Wanted, on first-class central Toronto business property, 1st Mortgage Loan, five or ten years, $80,000.00 to $85,000.00. Private funds. Property on prominent street, with extra good prospects for further enhanced values. Brick Warehouse of modern construction and sprinklered throughout, and other substantial buildings. Occupied by old established business. Interest payable quarterly. Perfect Title guaranteed. Lender will have no Commission to pay. Valuation by prominent expert valuator at much more than twice the amount required. Address stating rate of Interest required. Owner.

Box 19, The Financial Post,
Toronto, Ont.

A. J. Pattison, Jr. & Co.
MEMBERS
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Specialists Unlisted Bonds and Stocks
219 Bay Street, (Ground Floor) Toronto Elgin: 5101-5102-5103 5104-5105-5106

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

Stores Across Canada

UPON the successful consolidation of 22 leading Department Stores in Eastern Canada will be built a still greater organization with branches in all the leading cities of the Dominion, and buying outposts in the principal overseas markets.

As this expansion program of Canadian Department Stores Limited, is carried out the total volume of business will rapidly increase, buying power will be strengthened and earnings will mount higher. Operations will be conducted on a national basis which permits of tremendous economies, while the success of each individual store will be guaranteed by a continuance of the same managements that have been responsible for record earnings over long periods of years.

The 7% First and Refunding Mortgage Income Gold bonds of CANADIAN DEPARTMENT STORES LIMITED will become increasingly valuable as the company expands.

Canadian Department Stores, Limited, the largest chain store system in Canada, includes the following stores:—

Duncan Ferguson Co., Limited, Stratford.
Dundas & Flavelle, Limited, Lindsay.
The Ritchie Co., Limited, Belleville.
E. J. Coles Co., Limited, Woodstock.
The Chas. Austin Co., Limited, Chatham.
A. Bristol & Son, Picton.
The Robt. Wright Co., Limited, Brockville.
H. H. Engel & Co., Limited, Hanover.
Bryans, Limited, Sault Ste. Marie.
The Robinson Co., Limited, Napanee.
Ogilvie-Lochead, Limited, Brantford.
A. A. Fournier, Limited, Ottawa.
Beamish & Smith, Limited, North Bay.
Huntington's, Limited, Midland.
The Cressman Co., Limited, Peterborough.
Beamish and Adams, Huntsville.
McLaren & Co., Limited, St. Catharines.
I. L. Matthews & Co., Port Arthur.
Letendre, Limited, Montreal, Que.
Stafford, Limited, Sudbury.
Fenton & Smith, Pembroke.
T. H. Pratt, Limited, Hamilton.

We are offering First and Refunding Mortgage Income Gold Bonds of Canadian Department Stores, Limited, at 100, to yield 7%
There will be delivered with each $1,000 bond of this series ($4,250,000) five shares of the no par common stock of the company
For detailed information of this most attractive investment communicate with:

Municipal Bankers
Bond and Sales Corporation, Limited
Toronto
Montreal · Ottawa · London

H. B. Robinson & Co.
Limited
Toronto and Montreal

Stock Market Record

WEEK ENDING MARCH 29

	Div. Rate	Yield Mar. 28	High for wk.	Low for wk.	Close Mar. 29	Close Mar. 22	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.37	242	241	241	241	186	248	228
Dominion	12+1	5.72	227	227	227	228	7	230	217
Can. Nationale	10	6.06	165	165	165	165	2	165½	160½
Imperial	12+1	5.92	220	219½	220	220	73	223	214
Montreal	12+2	4.82	290	288	288	290	154	295	272
Nova Scotia	16	5.06	316	315	315	317	81	321	298
Royal	12+2	5.44	258½	257	257	258	461	266	257
Standard	12	5.94	204	203	203	204	53	207	196
Toronto	12	5.21	233	230	230	233	34	238½	230
Paper—									
Abitibi, com. (no par)	5	5.46	91½	89½	91	90¼	1905	93	82
Do. pref.	7	5.98	..	...	...	...	...	118	113
Belgo-Can. pref.	7	6.79	103	102	103	102¼	80	103	101
Brompton (no par)	$2	6.15	32⅛	31¼	32⅞	32	1090	35	31
Fraser, pref.	7	7.17	..	...	...	...	...	97½	96¾
Inter. Paper, com.	$2	3.50	57	55	57	55⅛	1603	60⅞	53⅛
Laurentide	6	5.67	105⅞	101¾	104½	103	1184	110¾	98½
Price Bros., com.	2	3.30	61	60½	61	60	95	63	59
Do. pref.	6½	6.37	102	101	102	101	36	104	100¾
Prov. Paper, com.	6+1	5.38	130	130	130	128	50	130	115
Do. pref.	7	6.60	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	60¼	60¼	60¼	61	10	68¼	60
Do. pref.	8	7.40	108	107	107	108	111	108	103½
Span. River, com.	7	6.91	101½	100¾	101½	101	575	104¼	99
Do. pref.	7	6.14	114	114	114	114½	150	116½	112
Wayagamack	$3	6.25	48	48	48	48	260	54¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	½	340	1⅜	½
Do. 1st pref.	.	...	15	14½	14¾	15	335	22¼	10
Do. 2nd pref.	.	...	1⅜	1½	1½	1½	470	4	1½
Can. Car & Found., com.	.	...	40½	39	39	41	60	50¼	39
Do. pref.	7	7.77	90	89½	89½	90¼	135	94½	89
Can. Fairbanks, pref.	6	7.31	..	...	...	...	...	82	80
Can. Forgings, com.	.	...	19	19	19	18	10	24	18
Do. pref.	.	...	84	84	84	84	15	85	66
C.G.E., com. (par $50)	.	...	50½	50½	50½	51	50	51	50
Do. pref. (par $50)	7	6.03	58	57½	58	58	176	59¼	56¼
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.11	87	86¼	87	88	25	89	85½
Canada Iron, com.	.	...	..	...	...	...	...	12	12
Do. pref.	4	6.89	57	57	57	52½	21	57	42
Dominion Bridge	4+2	4.00	153¼	146	152	147	5419	153¼	116¾
Dominion Coal	.	...	70¾	70	70	72	75	75	70
Dominion Iron, pref.	.	...	4	2¾	2¾	4	35	5	2¾
Dom. Radiator, pref.	7	6.96	..	...	...	...	...	101¼	100
Dom. Steel Corp., pref.	.	...	21	20¼	20¼	20	156	25	20
Ford Motor	10	...	436	436	436	...	1	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	..	...	...	...	...	15	9⅞
Do. pref.	7	7.36	94	93½	93½	93½	70	95	88½
McKin. Ind. c. (no par)	.	...	..	...	...	...	...	21	18
Do. pref.	7	7.46	93¾	93¾	93¾	94	30	95½	93¼
Do. Voting Trust	.	...	17	15½	15½	17	150	18	15½
Massey-Harris, com.	.	...	118	115½	117	116	6513	118¼	67½
Do. (new)	.	...	29½	29½	29½	29½	695	30	29½
Do. pref.	7	6.42	109	109	109	109	4270	109	103½
Ontario Steel, com.	4	5.26	..	...	...	...	...	78	73
Do. pref.	7	7.00	..	...	...	...	...	102½	100
Page Hersey, c. (no par)	$3	4.51	66½	65	65	65	825	68	55½
Do. pref.	7	5.22	134	133¼	134	133	315	138	116
Pressed Metals, com.	.	...	39	39	39	39	50	39	34¼
Do. pref.	7	8.23	..	...	...	...	...	85	85
Russell Motor, com.	3	5.76	..	...	...	...	...	52	52
Do. pref.	7	7.21	97	97	97	97⅛	10	97⅛	90⅛
Sawyer-Massey, com.	.	...	1	1	1	1	90	1	1
Do. pref.	.	...	20	20	20	22	5	22	5
Steel of Canada, com.	7	5.44	128½	127	128½	126¾	645	129½	117
Do. pref.	7	5.34	..	...	...	...	...	136	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	23	22½	22½	22½	410	27¼	22½
Do. pref.	7	7.65	91½	90¼	90¼	91¼	115	92	87½
Arnolds, com. (no par)	.	...	22¾	19½	22½	19¾	1926	26	18
Do. pref.	7	7.77	..	...	...	...	...	95	84
Atlantic Sugar, com.	.	...	28⅝	28	28	29	325	30½	27½
Do. pref.	.	...	93½	93	93½	93½	220	93½	90
B.C. Fishing	5	6.32	81½	72½	81½	80	1620	94½	72½
Can. Bak., com. (no par)	.	...	36	33	33	36½	70	38½	27
Do. pref.	7	6.86	101½	96	96	101	86	101½	98
Can. Bread., com. (no par)	$5	4.63	109	108	108	115	170	116	90
Do. pref. (A)	7	6.36	115½	115½	115½	115	5	116	108½
Do. pref. (B)	7	6.36	111	110	110	111½	65	112¼	103
Can. Canners, com.	.	...	44½	43¼	44½	42¾	479	44½	21
Do. pref.	4	4.70	85⅛	84½	85	85⅝	475	87½	76
Canadian Salt	8	5.88	..	...	...	...	...	136	123
Christie Brown (no par)	$1.20	3.08	..	...	...	...	...	40½	38
City Dairy, c. (par $25)	$3+1	3.70	114½	105½	110⅝	105¼	3707	114½	79
Do. pref.	7	5.93	118	118	118	118	6	119	112
Cuban Can. Sugar, com.	.	...	3¼	3¼	3¼	3¼	35	5	2¾
Do. pref.	.	...	35	34½	34½	35	195	37	29
Wm. Davies (A) (no par)	.	...	31	30	31	30	305	33	25
Do. (B) (no par)	.	...	..	...	...	...	...	9	9
Dominion Stores (no par)	$2.40	3.15	77¼	76¼	76¼	76¼	355	77¼	65
Hamilton Dairies, com.	.	...	30	29	29	30	35	33	24
Do. pref.	7	7.21	97	97	97	98	10	98½	96
Inter. Milling, pref.	7	6.69	106	104	106	105	86	107	104
Lake of Woods, com.	12	8.00	152	150	150	150	50	160	150
Do. pref.	7	6.03	..	...	...	...	...	117	115
Loblaw, com.	1.25	2.50	48	48	48	50	5	51	48
Do. pref.	7	6.54	107¼	107¼	107¼	107	5	108⅛	107
Maple Leaf Mill, com.	.	...	..	...	...	...	...	75	61½
Do. pref.	7	7.03	100	99	99	99½	32	101¼	99
Ogilvie Flour, com.	5	2.08	246	245	246	244½	25	250	205
Do. pref.	7	5.73	..	...	...	...	...	123	120¼
Pure Gold Mfg. (no par)	1.50	7.90	21	21	21	20	20	21	19¼
Shredded Wheat (no par)	$3	4.83	63	61½	63	61¾	597	65	56
St. Law. Flour, com.	.	...	30	30	30	30	157	31½	28
Do. pref.	7	8.43	..	...	...	...	...	84	83
Viau Biscuits, com.	.	...	19	18	19	20	286	26	18
Do. pref.	7	7.79	89	89	89	89¾	169	89¾	83½
Western Groc., c. (no par)	$1	...	23	20	23	20	66	29	20
Do. pref.	7	8.86	79	79	79	79½	15	84	74¼
West. Can. Fl., c. (no par)	1.40	5.83	25	24	25	24	415	25	22
Do. pref.	6½	6.31	103	103	103	102	5	103	100
Utilities—									
Bell Telephone	8	5.40	148	147	147	147	439	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.49	182	181	181	181	347	182	171½
East Koot. Power	.	...	27	26	27	27	16	29¼	26
Do. pref.	7	7.21	..	...	...	...	...	98½	96¼
Inter. Util. (A) (no par)	3.50	...	..	...	...	...	...	35	28
Jamaica Pub. Ser., pref.	7	7.00	100	99	100	99	37	100	97
Laurentide Power	5	4.34	115	115	115	113	60	120	107½
Mackay, com.	7	5.78	122⅞	121	121	121	216	127½	119
Do. pref.	4	5.63	71	71	71	70¾	35	74	69¾
Mexican Light, com.	.	...	..	...	...	...	...	42½	27
Do. pref.	.	...	..	...	...	...	...	100	77¼
Mont. L H & Pr. (no par)	$2	2.56	78	77	78	78	3132	78½	68½
Montreal Teleg. (par $40)	8	5.23	50	50	50	50½	10	50½	49½
Nor. Mexico Pr., com.	1	...	59	56	58½	56	825	59	42
Do. pref.	7	8.23	..	...	...	...	...	86	82½
Ottawa & Hull Pr., com.	.	...	28	28	28	28	10	28	28
Do. pref.	7	7.29	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	5.94	..	...	...	...	...	102	98½
Do. pref.	6½	6.19	105	105	105	105	10	105½	102
Quebec Power, com.	6	2.52	240	222	238½	221½	5437	240	190
Do. pref.	.	...	40	34½	40	34¾	6296	40	31
Shawinigan	$2	2.66	75	73⅛	74⅞	74½	6273	75	67
South. Can. Pr., com.	2	2.27	88	88	88	89	34	90	85
Do. pref.	6	6.00	100	100	100	101	105	102	100
Transportation—									
Can. Pacific Rly.	10	5.43	186	184	185¼	183	320	190	166
Can. Steamships, com.	.	...	42	38	41¼	39	1428	42	35
Do. pref.	6	6.74	89	86¾	88½	87	1880	89¾	82½
Do. voting	.	...	37	36⅞	37	37	350	37½	32½
Tractions—									
Barcelona (par $50)	.	...	45¼	42½	45¼	42	149	45¼	33½
Brazilian, com.	6	4.68	128¼	125¾	127	125	16195	129½	102½
Do. pref.	6	5.10	117½	116¾	116¾	117	255	117½	104
Detroit Un. Rly.	.	...	3½	3½	3½	3½	20	5	2
Duluth-Superior	.	...	26	25	25	25	95	27½	25
Illinois Traction, pref.	6	...	..	...	...	...	...	x100½	96½
Mexico Trams.	.	...	20	19½	20	...	250	20	19½
Montreal Trams.	10	5.55	..	...	...	...	...	180	169
Ottawa Traction	4+1	7.14	70	69¼	70	70	180	70	64
Porto Rico Rlys., com.	2	2.07	..	...	...	...	...	70¾	59
Do. pref.	7	7.29	96⅛	94	96⅛	94	16	96⅛	90
Twin City, com.	4	7.20	56	54¼	56	55¼	784	66	65
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	.	...	64½	64	64	64½	891	66½	60¾
Do. pref.	7	6.86	102¼	101¾	101¾	102¼	57	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.19	43½	42½	43½	42¾	30	50	36
Can. Converters	7	7.00	101	100	101	101	50	102¼	100
Can. Cotton, com.	8	6.40	125	125	125	125	120	125	120
Do. pref.	6	6.06	100	99	99	100	18	100	95
Can. Woollens, com.	.	...	8	8	8	10	7	10	5
Do. pref.	.	...	..	...	...	...	...	63½	60
Cosmos Imp., com.	.	...	21¾	20½	21¾	20	1334	22	13
Do. pref.	7	7.21	97⅞	97	97⅞	97⅞	75	98	91¼
Dom. Textile, com.	5	4.27	117¼	114	114½	114½	2275	117¼	105
Do. pref.	7	5.83	120	115¾	120	120	1050	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	50
Montreal Cottons, com.	6	5.31	113	112	112½	113	40	115	110
Do. pref.	7	5.99	116¾	116¾	116¾	116	50	118	115
Penmans, com.	8+2	4.52	226	218	226	218	395	226	182¼
Do. pref.	6	5.88	..	...	...	...	...	103	101½
Wabasso Cotton	6	6.48	93	92½	92½	92½	20	116	92½
Do. Rights	.	...	16	15¾	15¾	15¾	143	16¼	15¾
General Industrials—									
Amer. Sales, c. (par $20)	4	5.47	73	73	73	74½	23	75	67
Do. pref.	7	7.03	99½	99½	99½	99½	12	100	97½
Asbestos Corp., com.	.	...	22	20¾	22	20½	2032	24¾	21
Do. pref.	7	8.16	85¾	84½	85½	85	915	87½	82¾
Building Products, pref.	7	7.36	96	95	95	96	30	96¼	93½
Brant. Cd. pf. (par $25)	8	8.33	24¾	24	24	24⅜	213	25	21
Burt, F. N., com.	12	5.17	58½	57	58	58	130	65¼	56½
Do. pref.	7	3.33	..	...	...	...	...	x210⅛	210⅛
Canada Cement, com.	6	4.31	138½	135½	138	134½	3282	139	124½
Do. pref.	7	5.98	118½	117	118½	118½	76	120¼	116
C. Ind. Alc. (no par)	1.28	4.80	27⅞	25½	26⅛	25⅜	6622	28	21¼
Canadian Oil, com.	5	3.70	135	135	135	134	7	135	99
Do. pref.	8	6.66	120	120	120	120	17	120½	115½
Crow's Nest Coal	6	9.30	..	...	...	...	...	66½	63½
Dom. Glass, com.	7	6.08	115	111	114¾	112¼	2414	115	104
Do. pref.	7	6.29	111¼	111¼	111¼	113¼	10	114½	111¼
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	x87½	80
East Theat. c. (par $25)	.	...	26	25	25	26½	175	30	24
Do. pref.	7	7.36	95	93	95	92½	120	95	92½
Famous Players, com.	.	...	25	25	25	24	20	30	20
Do. pref.	8	8.24	97	97	97	98	48	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	x127⅛	104½
Do. pref.	7	5.83	..	...	...	...	...	125	114
Goodyear Tire, pref.	7	6.86	103¾	101½	101⅞	101⅝	196	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.60	92	92	92	92	125	92	85
King Edward Hotel	.	...	40	30	39	28	755	40	20
Laura Secord, com.	.	...	30½	29	30½	29	80	30½	29
Do. pref.	7	6.79	104	103	104	104½	235	104½	102
Lyall Construction	.	...	44	44	44	44	2	45½	35¾
Loew's, com.	.	...	47	47	47	47	1	47	38
Do. pref.	7	6.66	105	105	105	103	10	105	96½
Nat. Brew., c. (par $25)	4	5.88	68½	67¼	68½	67½	3419	71⅜	65
Do. pref.	7	6.51	107½	107½	107½	107	50	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	6.54	70	70	70	70	5	81	65
Pacific Burt, com.	6	6.80	..	...	...	...	...	89½	87
Do. pref.	7	6.86	..	...	...	...	...	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	79	79	79	80	1	80	64
Do. pref.	7	7.29	96	95	96	95	11	100	92
Seagram	.	...	24	23	23	23⅞	5025	26⅞	15
Sher-Williams, com.	6	3.88	155	154¼	154½	155	150	155½	142
Do. pref.	7	5.85	119½	119½	119½	120	50	120½	118
Sterling Coal	4	11.11	..	...	...	...	...	36	36
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.33	84	81	84	82	160	89	80
Tuckett Tobacco, com.	4	5.61	..	...	...	...	...	72	69
Do. pref.	7	6.66	105½	105½	105½	105	40	106¼	104
Woods Mfg., com.	.	...	..	...	...	...	...	45	39
Do. pref.	7	8.69	80½	80	80½	80	15	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.57	100	99	100	98¾	10	100½	94
Can. Permanent	12	5.42	221	221	221	218	16	221	216¼
Colonial Invest.	6	...	..	...	...	...	...	7	6¼
Huron & Erie	7+1½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.59	..	...	...	...	...	161	161
Montreal Loan (par $50)	12+1	6.19	..	...	...	...	...	52¾	50
National Trust	12	4.95	..	...	...	...	...	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.15	233	233	233	233	11	233	220
Toronto Mtge. (par $50)	10+1	5.39	..	...	...	...	...	102	100
Union Trust	7	6.48	110	110	110	110	10	110	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Mar. 28	High for wk.	Low for wk.	Close Mar. 29	Close Mar. 22	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.14	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	21¾	18½	21	18¼	1375	35¼	14
Beacon Oil	.	...	17½	16	17¼	16½	182	20¾	15¾
Belding, com.	6	8.10	74	74	74	74	10	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Brit. Amer. Oil (no par)	80c	2.96	27	25⅝	26¾	26⅜	7374	27	20
Brew. & Distil. (par $5)	5	...	..	...	...	...	...	5¼	4½
Can. Brewing	.	...	25½	24	25½	25½	128	30¼	24
Can. Nor. Pr., c. (no par)	.	...	51	51	51	51	4	52	42
Do. pref.	7	7.07	99	99	99	99	17	99½	98½
Cockshutt, pref.	4	5.55	73	71	72	70	303	77	70
Continental Oil	$1	5.26	..	...	...	...	...	22¼	19¾
Cosgrave Brew. (par $10)	5	6.66	7½	7¼	7¼	7⅝	225	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10¾	10¾
Do. pref.	4	...	..	...	...	...	...	50½	50½
Dom. Engineering	8	4.44	..	...	...	...	...	180	135
Dryden Power (no par)	.	...	12	11	11	...	125	15½	11
Eastern Dairies (no par)	.	...	22½	22¼	22½	25	131	25¾	20
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	80¼	78	80	76½	101	80¼	72½
Good. & Worts (no par)	$1	1.80	57¼	55	55	57	5005	58½	43
Hiram Walker	.	...	37¾	36	36	37	6903	42	28½
Illinois Power, pref.	7	7.07	99	99	99	98¾	2	100½	98
Imperial Oil	$1+12½	2.20	47	42	47	42	30000	47	37¾
Imp. Tobacco, c. (no par)	6	...	..	...	...	...	...	7⅛	6¾
Inter. Petroleum	75c	2.42	33	30½	...	30¾	4856	35¼	30½
Manitoba Power (no par)	.	...	55¾	55½	55¾	56	32	58½	50
McColl, com. (no par)	80c	2.63	32½	30	30	32½	445	33⅝	22½
Do. pref.	7	6.42	109½	109	109	107	128	109½	100
North Star Oil, com.	.	...	2.35	2.10	2.35	2.00	520	2.35	1.15
Do. pref.	7	...	..	...	...	...	...	5.01	1.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	22	22	22	21	11	22	18¾
Do. pref.	.	...	47½	47½	47½	47½	10	48⅝	47½
Ottawa Riv. Pr. (no par)	.	...	25	25	25	25½	3	26	25
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	56	55
Do. pref.	.	...	..	...	...	...	...	100	99
Power Corp., c. (no par)	.	...	28	27¼	27½	27¼	158	29¾	27½
Do. pref.	6	6.21	96½	96½	96½	96½	50	97½	94
Port Alfred, pref.	7	7.36	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	102¼	100¼	100¼	100	349	103	96
St. Maur. Vall. Paper, com.	7	7.75	51	50	50	50	330	56½	47
Do. pref.	.	...	97	96	97	97¼	25	98	95
Simpson, Robt., pref.	6	5.88	102	102	102	...	10	102	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	200	200
St. Law. Pap. c. (no par)	.	...	42	39¾	42	42	28	54	39¾
Do. pref.	8	7.54	106	106	106	106	30	108	105
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R. S.	.	...	1.50	1.50	150	1.50	25	1.50	1.50
United Secs., com.	.	...	..	...	...	...	...	51	45
Do. pref.	6	5.76	103½	103½	103½	104	1	105¼	103½
Volcanic Oil	63c	...	40	39	39	39	164	40	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼

x Quotations for 1926. No sales recorded in 1927 to date.

MINING STOCK QUOTATIONS

Week Ending March 29

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Mar. 29	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Amulet	1	...	...	1.27	1.11	1.20	41480	2.89	.90	2.89	1.22
Algonquin	1	...	...	2⅝	2½	2½	13500	6¼	1¼	5¼	2
Apex	1	...	...	2½	2	2	4000	6	2¾	3½	2
Area	1	...	...	37½	26	35	189900	1.55	.21	1.95	.29
Argo. Con.	1	...	...	42	28	39	151050	67	18½	58	33
Atlas	1	...	...	6⅛	5⅛	5¾	183050	5	1⅝	7	2
Abana	1	...	...	29	23	29	3300	..	..	31	20
Amos	.	...	...	25	15	20	16900	..	..	56	40
Ajax	.	...	...	31	30	31	6000	..	..	44	6½
Bard	.	...	...	95	50	40½	7600	..	..	1.50	.50
Baldwin	1	...	...	2¾	2½	2½	18000	6⅞	1	4¾	2¼
Barry Holl.	1	...	...	47	41	47	119700	1.00	.21	1.00	.38
Beaver	1	...	...	63	60	60	12300	99	51	75	59½
Bellellen L.	1	...	...	10	10	10	500	23½	20	23½	10
Bidgood	1	...	...	6	5⅝	5⅝	3100	9⅝	4½	9½	5⅝
Bourlamaque	1	...	...	75	75	75	48500	1.45	1.02	1.53	.75
Buckingham	1	...	...	5	4¼	5½	50900	7⅝	2	9½	4¼
Boischatel	.	...	...	10	8	10	15350	..	..	27	8½
Cen. Manitoba	.	...	...	120	115	120	14125	..	..	1.37	1.07
Can. Lorrain	1	...	...	38	35	35¼	87450	93	57	72	37½
Capitol S.	1	...	...	26	25	25½	9900	48½	24	34	25
Castle Tre.	1	...	...	99	95	98	48800	1.85	.91	1.27	.95
Chaput H.	1	...	...	7	6½	7	18100	22	3⅛	10	4⅝
Clifton	1	...	...	1½	1½	1½	4000	6½	1	2	1
Coniagas	5	...	...	3.90	3.55	3.65	880	4.85	3.00	4.40	3.55
Coniaurum	5	...	...	3.15	3.00	3.10	1600	4.45	3.00	3.50	3.00
Col. Kirk.	1	...	...	3	2½	2¾	29000	6¾	2	3⅞	2
Cons. Smelter	25	10	3.83	263	253	261	16553	265	177¼	255	242
C. W. Dome	1	...	...	14¾	7¼	7½	147746	29½	14	19	7
Crown Res.	1	...	...	8½	7	8½	15000	24½	8	11¾	7¼
Corona	1	...	...	14	11¾	13¼	95100	37½	20	37	11¾
Capital R.	.	...	...	18½	18	18½	20000	43	26	54½	18
Destor	.	...	...	..	..	..	...	41	40	43	40
Davidson	1	...	...	..	..	..	...	3	1½	3	1½
Dome Mines	None	2.00	23.20	8.80	8.45	8.65	1410	20.00	8.00	10.85	8.30
Don Rouyn	1	...	...	29	20	22	121050	61	25	56½	20
Duprey	.	...	...	..	..	..	...	..	..	10	10
Duprat	1	...	...	16	10	14	152600	35½	10	34½	10
Dubec	.	...	...	41	35½	40	72700	..	..	37	35
Fiske	.	...	...	12	12	12	500	16	12	30½	10
Everett	1	...	...	33¼	3¼	3¼	2500	12¼	3¾	5½	3¼
Goldale	1	...	...	24½	23½	24	24850	43	24	30	20
Gold Hill	1	...	...	43	36	42½	64050	73½	25	54	34
Gold Reef.	1	...	...	1	1	1	3500	5	.1	2½	1
Gifford	1	...	...	..	..	..	...	..	..	1¾	1
Gladstone	.	...	...	..	..	..	...	..	..	29	29
Hillcrest pfd.	100	7	8.04	87	85½	86	121	83	79½	87	85
Hill Top	1	...	...	16	14	15	13500	31¾	20	24	14
Hollinger	5	26	6.22	21.00	20.85	20.90	7382	21.00	16.65	22.65	20.00
Grover Daley	.	...	...	15	12¼	14	118200	32	22	37	12¼
Harvey	.	...	...	16	15	15	50	..	..	16	15
Haultain	.	...	...	..	..	..	...	..	..	15	14
Howey Gold	.	...	...	46	45	45	8800	..	..	55	42
Indian	1	...	...	6	6	6	1100	14½	3¾	11	4
Int. Nickel, c.	None	2.00	5.00	40¾	39⅞	40¼	9403	46	33	44¾	38
Jay Copper	.	...	...	..	..	..	...	1.10	.73	1.26	1.04
Kealey	1	24	16.50	145	139	1.45	22800	1.91	1.39	1.46	1.37
Keora Mines	1	...	...	7	5	5	26550	22	11	13½	5
Kirk. Hunt.	1	...	...	15¾	14½	15½	59450	34	8½	35	14½
Kirk. Lake	1	...	...	90	83	85½	129475	1.44	.69	1.00	.85
Lucky Jim	.	...	...	..	..	..	...	..	..	21	20
Lake Shore	1	40	2.22	18.15	17.95	18.00	8395	16.15	9.50	19.00	15.40
Lakeside	1	...	...	3¼	2½	3	43000	10	1⅛	6	2½
Laval	1	...	...	31	25	28½	479200	45¾	21	55	20
La Rose	1	...	...	8½	8	8	500	39	4	12	7
Lorrain	1	...	...	2½	2	2½	38250	15	2	3¼	2
Lorrain T. L.	1	...	...	..	..	..	...	1.10	.30	.40	.25
Marclay	1	...	...	40¼	39	39	15100	35	30	42	34½
Macassa	1	...	...	26½	25	24¾	4900	43	25	37	22
McKinley	1	...	...	13¾	13	13½	15000	26	8½	17½	11
McIntyre	5	20	4.00	25.60	23.00	25.10	6715	29.75	22.70	27.50	24.70
Millcrest	1	...	...	4	4	4	5000	6	4½	6	4
Mining Corp.	5	12½	...	3.20	3.10	3.15	5940	4.45	2.60	3.50	2.90
Osisko	.	...	...	54½	52	52	5400	1.94	1.05	1.75	.50
Moneta.	1	...	...	10	9	9	21000	18	11	14	9
Montreal Rouyn	1	...	...	19	15	15	9025	60	13	33	10
Noranda	None	...	...	23.90	20.70	21.50	72911	24.75	12.00	24.35	19.95
Newray	1	...	...	30½	30	30	600	45	31	33	30
Night Hawk	1	...	...	4¾	4½	4¾	10100	17	3¾	8½	4½
Nipissing	5	12	7.50	8.10	7.55	8.00	15930	9.25	4.90	10.30	7.25
Ophir	1	...	...	2¼	2	2	3000	4	½	4⅝	1¾
N. Amer. Lead	.	...	...	2.11	2.02	2.11	9230	..	..	2.08	1.71
Pete Lake	1	...	...	..	..	..	...	..	..	..	..
P. L. Cobalt	1	...	...	10¼	8	8	5400	32	14½	18	7½
Porc. Crown	1	...	...	7½	6	6	17100	12	4	11	6
Porc. Keora	1	...	...	..	..	..	...	..	..	..	..
Pioneer	1	...	...	1.03	1.00	1.03	14550	1.22	.66	1.18	1.00
Premier Gold	1	32	14.74	2.17	2.10	2.17	18410	2.75	1.83	2.30	1.86
Preston	1	...	...	4¼	4	4¼	12000	9⅞	4	6	4
Potter Doal	.	...	...	47	43	46	84300	..	..	65	32
Rouyn	1	...	...	2½	2	2	24400	9	1⅞	5	2
Rouyn, Que.	1	...	...	2	2	2	1000	4½	1¼	4⅜	1½
Power and Mines	.	...	...	1.17	1.08	1.09	16200	..	..	1.17	1.00
South Keora	1	...	...	15	10	10	15700	35½	5	64½	10
Stadacona	1	...	...	27	19	20	56730	51	40	55	20
Teck Hughes	1	10	1.55	644	630	6.43	42080	5.55	2.64	6.80	5.37
Timiskaming	1	...	...	..	..	..	...	15¾	6	7	5
Thomp. Krist	1	...	...	..	..	..	...	3½	1	1	½
Tough Oakes	1	...	...	47½	42½	6.43	98750	66	36	62½	39
Towagamac	1	...	...	3.70	3.40	3.45	17175	6.10	3.15	5.75	3.35
Do., Rights	.	...	...	..	..	..	...	..	..	19	1½
Sylvanite	.	...	...	..	..	..	...	..	..	4.30	2.60
Siscoe	1	...	...	17	15	15	5500	..	..	20	12
Vic. Silver	1	...	...	10⅛	5½	8⅞	73200	10½	3	14	4½
Vickers	1	...	...	68	35	38	22900	1.22	.13	1.46	.38
Vipond	1	3	2.02	150	145	1.48	65233	2.02	1.49	1.75	1.25
Ribago	.	...	...	35	30	30	3700	..	..	87	30
St. Anthony	1	...	...	..	..	..	...	..	..	31	16
Wakenda	1	...	...	3¼	2¾	3	3500	2¾	1	5	2
Wasapika	1	...	...	..	..	..	...	4	1	2	1
West Tree	1	...	...	3¼	3	3¼	6500	4	2	4	3
Wettlaufer	1	...	...	..	..	..	...	10	2	3	2
Wigwam	.	...	4	4	4	4	500	..	..	4	3¾
Wright Har.	1	87½	841	11.00	10.50	10.65	28192	10.00	7.75	11.00	9.35
West Dome	.	...	...	..	..	..	...	..	..	10½	7
Vac. Gas	.	...	...	17	9½	15½	35300	..	..	17.00	8.95
Que. Pros	.	...	...	..	..	..	...	..	..	26	3

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(The collated register of British investors)

Pulp and Paper

FIRST B.C. PULP REPORT REVEALS STRONG POSITION

Preferred Dividend Was Earned by Satisfactory Margin

From Our Own Correspondent.

MONTREAL.—The first annual report of the British Columbia Pulp and Paper Company for the 1926 fiscal year shows that earnings were sufficient to meet bond interest and preferred dividend requirements by a satisfactory margin. The British Columbia Pulp and Paper Company is the outcome of the reorganization of the Whalen Pulp and Paper Mills.

The figures of the income account, and the figures showing the satisfactory working capital position of the company follow:

	1926
Profits on operations	$807,232
Interest on bonded deb t	320,420
Balance	$486,812
Provision for depreciation	374,752
Balance	$112,060
Provision for taxes	31,000
Net profits	$ 81,060
Dividend on preferred	38,934
Surplus	$ 42,126
Working Capital	
Current assets	$1,674,617
Current liabilities	364,332
Working Capital	$1,310,285

Balance Sheet Figures

In the balance sheet, the fixed assets, less reserves, are carried at $7,490,641, and total assets at $9,262,637. In the liabilities, the bonded debt stands at $5,307,500, the preferred stock at $556,200, and the common shares of no-par value at $3,000,000. The surplus account stands at the figures shown in the foregoing profit and loss account, and the reserve for contingencies amounts to $92,479.

In his remarks to the shareholders, the president, Lawrence Killam, states:

"Inventories have been valued at cost or market value, whichever was lower, and all accounts receivable have been judged to be good and collectible.

"In addition to expenditures for proper maintenance of the company's plants and equipment, there have been net additions to property account amounting to $208,090. The policy of the company to so improve the plants that the products shall be recognized as of prime quality, will call for further additions to property account in the coming year, and will result in some increase of production and more stable earning capacity."

Pulp and Paper Mills Planned For Maritimes

From Our Own Correspondent.

SYDNEY.—Signs of increased pulp and paper activity in the Maritimes this summer are seen in the action of two companies in approaching Dalhousie, N.B., and Windsor, N.S., for suitable civic concessions.

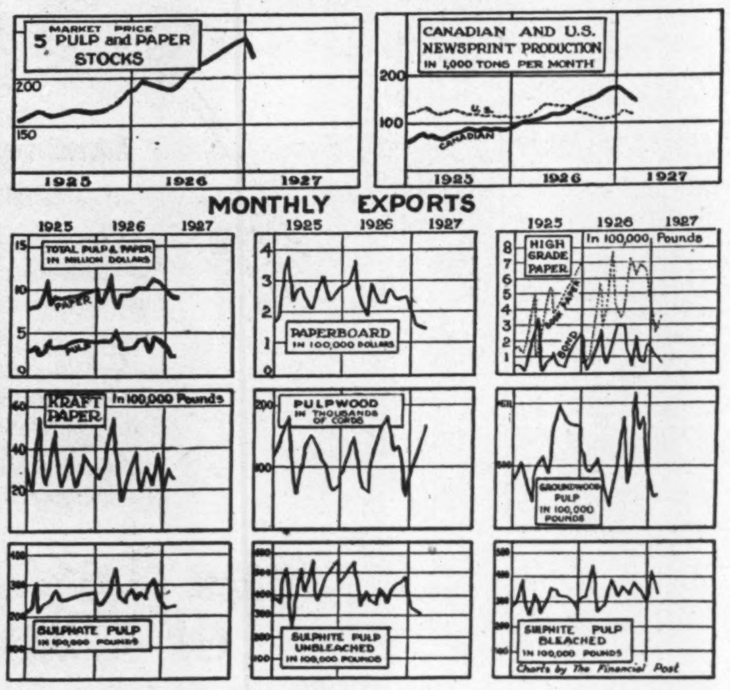
At Dalhousie the International Paper Company officials have made a tentative offer to the town. They want a fixed valuation of their property for assessment purposes for 50 years, the first 10 years to be exempt from taxation for general town purposes, with a specified low valuation for the second ten years, and a somewhat higher valuation for the last 25.

The Windsor company is a local concern known as the Minas Basin Pulp and Paper Company with a capitalization of $100,000, of which $80,000 has been subscribed. Its principal request is for a supply of water from the town reservoir for pulp making purposes.

No Price Reduction to Hamper Industry

Seems No Chance of Lower Newsprint Prices Despite Minor Period of Depression in Industry—Pulp and Paper Exports Unsatisfactory

From Our Own Correspondent.



MONTREAL.—The total exports of both pulp and paper during the month of February showed a slight decline as compared with January. While February is a short month, yet the chief reason for the decline in exports lay in the decline in the market for newsprint.

The figures indicate that the export market for high-grade paper is being maintained at a satisfactory level and while the exports of unbleached sulphite pulp are declining, exports of bleached sulphite are being maintained at a fair level. The recent decline in sulphite pulp exports is a seasonal occurrence. The chart accompanying this article shows that the market for ground wood pulp is not particularly good.

The present situation which exists in the pulp and paper export field is due to two factors, first the expansion of the newsprint industry which has brought some surplus production on the market and at the same time has served to retain for home consumption some of the Canadian sulphite output, and second, the hesitancy in general business in the United States. Perhaps hesitancy is hardly the right word for the fact that the Canadian exports of pulp and paper are not growing as during 1926, is traceable to the fact that business is not expanding in the States at the tremendous rate experienced last year.

Depends on Advertising

How long the present situation of a surplus production in the newsprint market will persist is a matter of conjecture, for it depends entirely on the demand for advertising space in the U.S. newspapers. It is understood that the publishers already have large stocks of newsprint on hand, an unfavorable factor as far as Canadian newsprint shares are concerned.

It seems to be generally believed that unless some unforeseen element enters into the situation to boost the sales of U.S. newspapers that 1927 will be a year of reduced earnings for the newsprint companies. There is one outstanding favorable factor in the whole situation and that is that any possibility of a price cut in newsprint seems to have passed. The leading Canadian companies are engaged in working out some consolidation of the sales efforts of the individual mills; this may result in 60 or 70 per cent. of the total Canadian output being handled through the one sales agency.

No Price Reductions

This indicates that there is little chance of price reductions. As the Canadian newsprint industry as a whole is in strong hands, the consolidation of sales efforts will place the sale of the entire output of the Dominion in three or four strong hands; thus it can be seen that the industry need not fear too keen competition.

There are many who feel that the present situation in the industry will not be of long duration and that by 1928 the newsprint stocks should again resume their upward surge.

This belief is based on many factors, one of the chief of these being that further large scale expansion in the newsprint industry in Canada is improbable, due first of all to the limited reserves of raw material and the attitude of the various provincial governments.

Newsprint Companies Strong

It is felt also that further newsprint production coming on the market this year from Canada will serve to decrease the production coming from American mills, many of which are in a position to easily switch over their production to other grades of paper. Indeed, this has taken place in one of the International Paper Company's mills.

Then, again, newsprint consumption in the United States has increased since the beginning of the century at more than 7 per cent. per annum and it is felt that the use of newsprint has reached nothing like its saturation point and that steadily the demand in the United States will continue to grow. It may decline slightly from time to time but over a period of a year or two years there will be a decided growth. In the meantime, the Canadian newsprint companies are all fortified to withstand the period of minor depression which has now set in.

Saskatchewan Creameries Announces Personnel

Now that Caulder's Creameries, head office, Moose Jaw, has been merged with the Saskatchewan Co-Operative Creameries, head office, Regina, the former company's head office at Moose Jaw has been closed and business is now being conducted from Regina.

A. P. MacLean, formerly general manager of the Saskatchewan Co-Operative Creameries, has severed his connection with the company. J. A. Caulder, former president and general manager of Caulder's Creameries, is now president and general manager of Saskatchewan Co-Operative Creameries.

O. W. Andreason is vice-president and assistant general manager. He will be stationed at Saskatoon. Company will continue to operate its Winnipeg Branch with Lyman Ball as manager. M. G. Simpson, formerly manager of Caulder's Creameries, Regina branch, will be manager of the Regina Branch of Saskatchewan Co-Operative Creameries. A. C. Rattray remains in the position of secretary-treasurer of the company. F. A. Davidson assumes the position of assistant to general manager. T. Geo. Martin will be the chief accountant. H. F. Pierce will supervise the purchasing, sales and advertising departments.

Investment House Formed

MONTREAL. — A new investment house has been formed by the partnership of P. P. Barrett and W. B. Wood. Mr. Barrett was vice-president of H. H. Robinson and Company, and prior to that time was associated with Rene T. Leclerc and Nesbitt, Thomson and Company. Mr. Wood is president of the Keystone Security Corporation, and was formerly president of the Dominion Flour Mills, which was sold to the Lake of the Woods Milling Company about eighteen months ago.

Courtauld's Plant Busy

Annual statement of Courtauld's, Ltd., in England, referred to the new Canadian plant. It said: "The factory at Cornwall, Ontario, has been running at full capacity since the summer, and is selling its output. We are particularly pleased with the way in which our constructional and operating staffs have surmounted climatic difficulties, and are producing an article second to none in quality."

Forms Brokerage House

MONTREAL.—Maurice Forget, recently elected a member of the Montreal Stock Exchange, has entered into partnership with Rene T. Leclerc, under the name of Leclerc, Forget & Company. Both Mr. Leclerc, who is president of the firm Rene T. Leclerc, Inc., investment bankers, and Mr. Forget, advocate, formerly of the firm of Cormier & Forget, are well known. Mr. Forget is the son of the late Sir Rodolphe Forget. The new firm has commenced business.

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Ground Wood - Sulphite Pulp
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AUTHORIZED CAPITAL - $6,500,000

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Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Abitibi Power & Paper Company
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Limited

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Cable Address: "SAGUENAY, CHICOUTIMI"

FAIRBANKS-MORSE EARNINGS HIGHER IN FISCAL YEAR

Strong Balance Sheet Position Shown With Bettered Working Capital

From Our Own Correspondent.

MONTREAL.—The general betterment in business throughout the Dominion in 1926 was reflected in the earnings and in the financial position of the Canadian Fairbanks-Morse Co. The company's output includes a remarkably wide range of many commodities such as gas engines, pumps, scales, valves, mechanical goods and automobile equipment and, therefore, its earnings tend to keep step with the business development of the country as a whole.

The satisfactory improvement in the income account and working capital figures as compared with preceding years, is seen in the following figures:

	1926	1925	1924
	$	$	$
Prof. on oper.	242,602	141,669	‡57,496
xOther profits	......	......	45,898
Total profit	242,602	141,669	‡11,598
Tax provision	22,000	19,000	......
Balance	220,602	122,669	‡11,598
§Red. in surp.	93,542	5,865	7,310
Surplus	127,060	116,804	†18,908
Prev. surplus	1,821,986	1,705,182	1,884,206
Balance	1,949,046	1,821,986	1,865,298
xxTrans. to res.	......	......	160,116
Total surp.	1,949,046	1,821,986	1,705,182

xFrom sales of buildings, machinery, etc.
§Resulting from forfeiture and cancellation.
‡Loss.
†Debit.
xxFor bad and doubtful debts.

Working Capital

	1926	1925	1924
Curr. assets	3,082,979	2,952,939	3,153,223
Curr. liabs.	694,144	877,295	1,184,040
Work. capital	2,388,835	2,075 644	1,969,183

Cancels Subscriptions

The deduction of $93,542 from the profits was due to the fact that the management saw fit to relieve the company's employees of their obligations to purchase the common stock of the company. In 1920, many of the employees purchased stock on a partial payment basis and their subscriptions were made prior to the adjustment in the company's affairs which took place after the post-war deflation in 1921. The management thought it advisable to enforce these contracts, for the stock was subscribed for at a figure higher than the present value of the shares. Changes in the balance sheet were of a minor character only. The investment account declined from $119,695 last year to $51,089 at the close of 1926. Last year the company carried an asset of $73,649 which was the balance receivable on common stock subscriptions from its employees. The deduction in the income account naturally eliminates this item from the balance sheet. Cash account has increased from $105,040 to $151,411. Surplus account which is carried in the liabilities against the common stock has increased by the amount seen in the foregoing income figures.

The President's Remarks

In his remarks to the shareholders, Thomas McMillan, the president, said in part:

"The year under review has been one of continued progress in the Dominion. Despite very unfavorable harvesting weather, the yield of wheat and other grains was abundant, agriculture in general was satisfactory, and industry on the whole was active and fairly profitable. Reflecting these conditions, the sales of your company showed an increase over the previous year of almost 15 per cent., gross profits were well maintained, while the ratio of expenses was reduced. The result was a net profit before provision for income taxes of $242,602, compared with $141,669 in 1925. The balance sheet will indicate the strong financial position of your company, the net working capital having been increased by an amount of $313,189 during the year.

"The physical condition of your properties has been well maintained during the year, and they, together with machinery, equipment, furniture and fixtures, are adequately insured against loss by fire. Inventories of merchandise were taken at the end of the year on a basis of cost or market, whichever was lower, and provision was made for all goods of an obsolete or slow-moving character."

N. A. Timmins and Associates Option Woman Lake Claims

An option on the 21-claim group in the Woman Lake area, held by Fred B. Evans and his partners, Winnipeg, has, it is understood, been taken by Noah A. Timmins and his associates, for a substantial cash amount and a 75 per cent. interest.

These claims, K 1892 to 1912 inclusive, lie immediately north of the Henry Bros. claims, also optioned to Timmins, and immediately west of the 28 claims of the Red Lake Consolidated Syndicate. The Jackson-Manion claims, also optioned to Timmins, which are now being diamond-drilled, lie to the south-east.

Cables from Paris intimate that the French Government would be glad to send a prominent delegation to Canada to take part in the forthcoming Jubilee celebration.

Business Problems

Many firms have problems.
Sales problems.
Advertising problems.
Manufacturing problems.
Merchandising problems.

Let us talk them over — free from vested interest.

We solve any business problems; have many clients to verify this.

F. E. Mutton
705 Federal Bldg.,
Toronto, Ont.
Adelaide 8031.

CANADIAN PACIFIC RAILWAY COMPANY

Forty-sixth Annual Report of the Directors of the Canadian Pacific Railway Company, Year ended December 31st, 1926

To the Shareholders:

The accounts of the Company for the year ended December 31st, 1926, show the following results:—

Gross Earnings		$198,025,591.69
Working Expenses (including all taxes)		153,080,464.81
Net Earnings		$ 44,945,126.88
Deduct Fixed Charges		14,676,358.60
Surplus		$ 30,268,768.28
Contribution to Pension Fund		600,000.00
		$ 29,668,768.28
From this there has been charged a half-yearly dividend on Preference Stock of 2 per cent., paid October 1st, 1926	$ 2,002,971.76	
And three quarterly dividends on Ordinary Stock of 1¾ per cent. each, paid June 30th, 1926, October 1st, 1926, and December 31st, 1926	13,650,000.00	
		15,652,971.76
		$ 14,015,796.52
From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable April 1st, 1927	$ 2,002,971.76	
And a fourth quarterly dividend on Ordinary Stock of 1¾ per cent., payable April 1st, 1927	4,550,000.00	
		6,552,971.76
Leaving net surplus for the year		$ 7,462,824.76

In addition to the above dividends on Ordinary Stock, three per cent. was paid from Special Income.

Special Income for Year Ended December 31st, 1926

Net Revenue from Investments and Available Resources, Exhibit "C"	$ 2,576,410.41
Interest on Deposits, and Interest and Dividends on Other Securities	2,940,485.20
Net Earnings Ocean and Coastal Steamship Lines	2,053,882.55
Net Earnings Commercial Telegraph and News Department, Hotels, Rentals and Miscellaneous	3,485,492.43
	$11,056,270.59
Less: Payments to Shareholders in dividends: June 30th, 1926, October 1st, 1926, and December 31st, 1926	5,850,000.00
	$ 5,206,270.59
From this a dividend has been declared payable April 1st, 1927.....	$ 1,950,000.00

Earnings and Expenses

2. The working expenses for the year, including all taxes, amounted to 77.30 per cent. of the gross earnings, and the net earnings to 22.70 per cent., as compared with 78.10 per cent. and 21.90 per cent. respectively in 1925. Excluding taxes, the ratio of working expenses to gross earnings was 74.41 per cent. and in 1925, 75.77 per cent.

Gross earnings increased $14,669,586 over those of the previous year, and working expenses $9,879,235. The net earnings, before deducting fixed charges, were $44,945,126, an increase over the previous year of $4,790,351.

The results would have been still better were it not for a rather sharp decline in gross earnings during the month of December, accompanied by an increase in operating expenses due to special charges made during that month and to the extremely severe weather in which the operations of the Company were conducted. Of the increased expenses, $1,681,946 was in Transportation, largely attributable to the increased volume of business handled; $2,848,282 was in Maintenance of Way and Structures, and $3,613,922 in Maintenance of Equipment in consequence of the policy approved by your Directors that the physical properties of the Company shall always be maintained in the highest possible state of efficiency. Your Directors are of the opinion that the results must be regarded as satisfactory, constituting as they do the largest net revenues since 1917, but they would be lacking in their duty if they did not point out that the future strength of the Company will depend upon the availability of surplus earnings for re-investment in improvements and betterments of the property—the necessity of which is continuous—if the Company is to do its full share in fulfilling its two outstanding duties, namely, to supply the most efficient transportation at reasonable rates and to make its own very substantial contribution to Canadian development and industrial expansion.

Special Income

3. The special income of the Company shows a slight decrease, notwithstanding increased dividends from the Consolidated Mining and Smelting Company, due entirely to a moderate decrease in the net earnings of ocean and coastal steamship lines, to which reference is made in a later part of this Report.

Land Sales

4. The sales of agricultural lands for the year were 365,665 acres for $4,714,139.16, being an average of $12.89 per acre. Included in this area were 10,737 acres of irrigated land which brought $44.99 per acre, so that the average for the balance was $11.92 per acre.

Sale of Securities

5. During the year your Directors issued $12,000,000 of Equipment Notes, bearing interest at the rate of four and a half per cent. per annum, and $20,000,000 four and a half per cent. 20-year Collateral Trust Gold Bonds, secured by the deposit of $25,000,000 four per cent. Consolidated Debenture Stock, the issuance of which you had previously approved.

Canadian Pacific Steamships, Limited

6. The year 1926 showed a distinct improvement in traffic over the previous year due to the increased number of passengers carried, particularly in westbound third-class traffic, and to economies in operation effected by close scrutiny of fuel and establishment charges throughout the year.

While the net earnings were somewhat less than during the preceding year, this was entirely due to the inclusion in the accounts of 1925 of the refund of Excess Profits Duties by the British Government, which was in the nature of a special and not a recurring payment. The earnings from strictly Steamship operations on both Oceans showed a gratifying improvement. Further improvement is expected during the coming season if our advance estimates of traffic conditions prove correct.

During the year the steamships "Pretorian," "Empress of Japan," "Monteagle," "Borden," "Batsford" and "Marglen" were sold.

Pursuant to the authority granted at the last Annual Meeting, contracts have been let for the construction of two new passenger vessels of the "Montcalm" type, and five freight vessels, and the work of construction is being proceeded with, though delayed in its initial stages by the coal strike in Great Britain. The passenger vessels are, however, expected to be in service by the Summer of 1928 and the freight vessels early in the same year.

British Columbia Coast Service

7. During the year your Directors approved the purchase for the British Columbia Coast Service of the S.S. "Emperor of Port McNicoll" (renamed the "Nootka") and since the close of the fiscal year a contract has been entered into with John Brown and Company, Limited, of Clydebank, Scotland, for the construction of an additional steamer for use between Vancouver and Nanaimo at an estimated cost of $583,000.

Hull Electric Company

8. Your Directors have disposed of the Company's interest in the Hull Electric Company (including the power development at Paugan Falls) through the sale of the capital stock of that Company to the Canadian International Paper Company for the sum of $4,750,000. The purchase money has been paid in accordance with the terms of the contract.

Hotels

9. The reconstruction of the burnt portion of the Chateau Frontenac Hotel, mentioned in the last Annual Report, was completed on time, and that portion of the hotel was opened for operation on June 1st, 1926. The unique features of the old hotel were retained to the fullest possible extent and the whole building is now completely fireproof. The Chateau Frontenac has been more fully patronized during the year just closed than in any year since the original hotel was constructed in 1892.

The reconstruction of the older portions of the Banff Springs Hotel, mentioned in the last Annual Report, is proceeding satisfactorily, and the first portion, namely, the North Wing, the expenditure in connection with which you have approved, will be completed by June of this year. Your Directors considered it advisable also to commence during the past Winter the reconstruction of a portion of the South Wing, as it could be prosecuted without adding to the ultimate cost while the North Wing was being completed. The South Wing and the requisite changes in the present building will be completed in the Spring of 1928 at an approximate expense of $2,992,800, exclusive of furnishings.

Your Directors, after careful consideration, have decided that it is very much in the interests of the Company to erect a hotel in the City of Toronto where the hotel accommodation is quite inadequate to meet the commercial and tourist traffic which centres in that important city. The Board had considered such a project for some time but had refrained from asking the shareholders for their approval in view of the extensive expenditures to which the Company was committed at the Chateau Frontenac, Lake Louise, Banff and Regina. Now, however, that the major portion of the works in connection with these hotels has been completed or is approaching completion, your Directors feel that the construction of a hotel in Toronto should not be longer delayed. To this end the property of the present Queen's Hotel and adjacent properties have been secured, and the demolition of the present hotel and construction of the new hotel will be proceeded with as soon as the necessary detailed plans have been prepared. It has been intimated in the public press that other hotel enterprises for Toronto are contemplated, but your Directors do not feel that the Company's plans should be in any degree altered because of these reports. Your approval of the prosecution of the undertaking and the expenditure necessary to complete the work at the earliest reasonable date will be asked.

Branch Lines

10. During the past year branch line construction in the Western Provinces was proceeded with, 135 miles being graded, 192 miles of track being laid and 175 miles ballasted on lines the construction of which you had previously authorized.

Under agreement dated the first of August, 1926, between your Company and the Manitoba Great Northern Railway Company, a portion of the latter Company's railway between Carman and Plum Coulee (26.22 miles in length) was taken over and now forms a portion of the Manitoba District.

Your Directors are of the opinion that further extensions should be built as conditions warrant, and your authority will be asked for proceeding with the construction and for the issue of Consolidated Debenture Stock in aid of the following lines, namely:

	Miles
1. Moose-Jaw Southwesterly (Saskatchewan), Mileage 96 to 109	13.0
2. Rosetown Northerly (Saskatchewan), Mileage 0 to 21.....	21.0
3. Gem Colony Branch (Branch from Rosemary North) (Alberta), Mileage 0 to 8.5	8.5
4. Cutknife-Whitford Lake (Alberta), Mileage 115 to 181 ...	66.0
5. Asquith to Cloan (Saskatchewan), Mileage 0 to 28	28.0
6. Cassills Southerly (Alberta), Mileage 0 to 22	22.0
Total	158.5

It is also proposed to extend the Tuffnell-Prince Albert Branch of the Manitoba and North-Western Railway across the Saskatchewan River at Nipawin, a distance of four miles, and to construct a branch of the same railway south and west from Kandahar or Foam Lake, a distance of 37 miles. The Manitoba and North-Western Railway Company has authority to issue Bonds not exceeding $40,000 per mile, which will, in the usual course, be acquired by this Company with the proceeds of the sale of Consolidated Debenture Stock to be issued for the purpose.

Capital Expenditures

11. In anticipation of your confirmation, your Directors authorized capital appropriations, in addition to those approved at the last annual meeting, aggregating for the year 1926, $3,852,266, and ask your approval to expenditures on capital account during the present year of $8,448,702. Of this amount the principal items are:—

Replacement and enlargement of structures in permanent form	$ 615,707
Additional stations, round houses, freight sheds, and shops, and extensions to existing buildings	1,743,576
Tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	890,978
Replacement of rail in main and branch line tracks with heavier section	1,381,730
Additional terminal and side track accommodation	839,901
Improving coaling and watering facilities	156,210
Mechanical Department, machinery at various points..	183,234
Improvements in connection with Telegraph Service ...	331,230
British Columbia Lake and River Steamers	50,000
British Columbia Coast Steamships	39,860
Double track	995,000

The balance of the amount is required for miscellaneous works to improve facilities and effect economies over the whole system.

Minneapolis, St. Paul and Sault Ste. Marie Railway Company

12. The results of the operations of your subsidiary, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (including the Wisconsin Central) were not good, the Soo Line proper showing a net surplus of $121,000 as against a net surplus in 1925 of $1,764,000, and the Wisconsin Central showing a deficit of $105,000 in 1926, as against an operating surplus in 1925 of $308,000. The result was largely due to the crop failures in the districts served by the lines of the Soo System, though a loss of $3,046,427 in revenue from agricultural products was partly made up by an increase in livestock products and iron ore. The crop failures were chiefly caused by the severe drought in May and June and the excessive rains in August and September. It is, however, satisfactory to know that diversification of farming operations was given a further impetus, and the excessive rains which had such a detrimental effect on the 1926 crop have provided plenty of sub-soil moisture.

Your Directors feel quite confident that the Soo Line will show better earnings in the future due to the improvement in general business conditions which should produce more stable traffic and less fluctuation in railway earnings.

Increase in Stock

13. At a special general meeting of the shareholders held on October 7th, 1914, a resolution was adopted authorizing an increase of the Company's Ordinary Capital Stock to the extent of 750,000 shares of the par value of $100 each; i.e., from $260,000,000 to $335,000,000, in order to make it accord with the amount which the Company is empowered by Order of the Governor-General-in-Council to issue. The resolution provided, however, that such increase should not be issued until the sanction of the shareholders thereto had first been obtained at a special meeting duly called for the purpose. As mentioned in the notice to the shareholders, the forthcoming annual general meeting will be made special for the purpose of sanctioning the issue of such increased Stock and the disposal of it in such amounts, on such terms and at such times as the Directors may from time to time decide, the proceeds to be applied in improving the Company's property, adding to its facilities and equipment and constructing such works as in the opinion of the Directors are desirable in connection with the Company's business.

General Conditions

14. In the report covering the operations of the Company for the year 1925, your Directors expressed the view that Canada's financial position was then sounder than at any time since the War and that only the adoption of definite fiscal policies, a more rigid regard for economy in public expenditures and a proper immigration policy were needed to ensure a marked and speedy return to prosperous conditions. This view has been borne out by the progress made during 1926, and it can be confidently stated that conditions generally throughout Canada were materially better at the close of 1926 than they were at the end of the preceding year. While, in the opinion of your Directors, the country's progress during this and the succeeding years should be substantial, they nevertheless feel impelled to record the conviction which they still hold that public expenditures should be carefully scrutinized and restricted.

Immigration increased materially in 1926, there being admitted to the country 130,569 new settlers, as compared with 80,904 during 1925, and with the co-operation of the Government and the transportation and immigration agencies the prospects for 1927 are even better. There is in Great Britain and in the United States an increased interest in Canada which gives promise of an influx of additional capital for the development of its natural resources and the expansion of its industries. Mining operations are more extensive and larger mineral areas have been opened up for development. Substantial progress has also been made in the pulp and paper industry and in the development of the country's valuable water powers. Another factor of great importance to the country's progress has been the steady improvement in the morale of its people, due largely to better agricultural conditions and to the fundamental soundness of the country asserting itself. Reductions in taxation, so necessary to release for investment the savings of the people, have taken place, and further and equally necessary reductions are expected. All these factors are evidence of the substantial progress which your Directors anticipated would take place when they last reported to you.

Additional Directors

15. A by-law will be submitted for your approval pursuant to the terms of the amendment to your Company's Charter obtained in 1920 increasing the number of Directors to eighteen and providing for the method of election.

Stock Holdings

16. The position of the holdings of the Common Stock of the Company at the end of the fiscal year just closed was as follows:

United Kingdom	53.96%
Canada	19.43%
United States	18.74%
France	2.87%
Other countries	5.00%

Death of Sir Thomas Skinner

17. Sir Thomas Skinner, Bart., who was elected a Director of the Company in May, 1889, and who in November of the same year was appointed Financial Agent of the Company in London, died on the 11th day of May, 1926. He had been connected with the Company for a period of thirty-seven years, during which he rendered most loyal and efficient service, particularly in connection with the Company's financial arrangements in London and the marketing of its securities there.

Appointment of Messrs. McKenna and Peacock

18. The Right Honourable Reginald McKenna, of London, was appointed a Director to fill the vacancy created by the death of Sir Thomas Skinner, Baronet, and Mr. E. R. Peacock, also of London, was appointed a Director to fill the vacancy created by the death of Sir Augustus Nanton.

Retiring Directors

19. The undermentioned Directors will retire from office at the Annual Meeting. They are eligible for re-election:—
Colonel Henry Cockshutt,
Sir Herbert S. Holt,
Colonel Frank S. Meighen, C.M.G.,
Mr. F. W. Molson.

For the Directors,
E. W. BEATTY,
President.

Montreal, March 14th, 1927.

CANADIAN PACIFIC RAILWAY COMPANY

General Balance Sheet, December 31st, 1926

ASSETS

Property Investment:		
Railway, Rolling Stock Equipment and Lake and River Steamers		$664,107,040.36
Ocean and Coastal Steamships, Exhibit "A"		62,118,329.40
Acquired Securities (Cost):		
Exhibit "B"		142,510,386.78
Advances to Controlled Properties and Insurance Premiums		13,589,890.90
Investments and Available Resources:		
Deferred Payments on Lands and Townsites....	$56,043,062.48	
Provincial and Municipal Securities	792,721.29	
Miscellaneous Investments, Exhibit "C," Cost...	24,522,842.60	
Assets in Lands and Properties, Exhibit "D"....	93,805,866.44	
		175,164,492.81
Working Assets:		
Material and Supplies on Hand	$22,892,407.82	
Agents' and Conductors' Balances	4,985,260.78	
Net Traffic Balances	1,249,210.09	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc...	1,174,844.80	
Miscellaneous Accounts Receivable	7,303,842.08	
Cash in Hand	42,813,394.86	
		80,418,960.43
		$1,137,909,100.68

LIABILITIES

Capital Stock:			
Ordinary Stock		$260,000,000.00	
Four Per Cent. Preference Stock		100,148,587.78	
			$360,148,587.78
Four Per Cent. Consolidated Debenture Stock	$304,244,882.08		
Less: Collateral as below*	40,000,000.00		
			264,244,882.08
Ten Year 5% Collateral Trust Gold Bonds (1934)*			12,000,000.00
Twenty Year 4½% Collateral Trust Gold Bonds (1946)*			20,000,000.00
Twenty Year 4½% Sinking Fund Secured Note Certificates (1944)	$30,000,000.00		
Less: Purchased by Trustee and cancelled	2,135,400.00		
	27,864,600.00		
Less: Amount held by Trustee	286,989.87		
			27,577,610.13
Mortgage Bonds:			
Algoma Branch 1st Mortgage 5 per cent			3,650,000.00
Current:			
Audited Vouchers		7,581,800.77	
Pay Rolls		3,953,516.56	
Miscellaneous Accounts Payable		4,693,703.88	
			16,229,021.21
Accrued:			
Rentals of Leased Lines and Coupons on Mortgage Bonds			1,029,460.40
Equipment Obligations			18,410,000.00
Reserves and Appropriations:			
Equipment Replacement		903,931.88	
Steamship Replacement		15,405,048.39	
Reserve Fund for Contingencies and for Contingent Taxes		20,263,535.56	
			36,572,515.83
Premium on Ordinary Capital Stock Sold:			
Less: Discount on Collateral Trust Gold Bonds and Note Certificates			40,278,965.22
Net Proceeds Lands and Townsites			74,320,094.81
Surplus Revenue from Operation			142,466,061.93
Special Reserve to Meet Taxes Imposed by Dominion Government			2,492,503.36
Surplus in other Assets			118,489,397.93
			$1,137,909,100.68

J. LESLIE,
Vice-President and Comptroller.

Auditors' Certificate.

We have examined the Books and Records of the Canadian Pacific Railway Co. for the year ending December 31st, 1926, and having compared the annexed Balance Sheet and Income Account therewith, we certify that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company at that date, and that the relative Income Account for the year is correct.

PRICE, WATERHOUSE & CO.,
Chartered Accountants (England).

Montreal, March 11th, 1927.

Montreal Brokers Increase Their Commission Charges

From Our Own Correspondent.

MONTREAL.—The brokerage charges of the Montreal Stock Exchange have been revised. It has been felt that some changes were necessary, due to the changed conditions which have popularized the low-priced issues, and the committee of management of the exchange has announced the following commission charges:

Stocks under $5, 5 cents.
Stocks at $5 and under $10, 10 cents.
Stocks at $10 and under $20, 20 cents.
Stock at $20 and under $150, 30 cents.
Stock at $150 and under $200, 40 cents.
Stocks at $200 and over, 50 cents.

The rates which prevailed for some years past were:

Stocks with par value of—
100 selling at $5 and under, 6¼ cents.
$100 selling at $5 and under $10, 12½ cents.
$100 selling at $10 and over, 30 cents.
$100 selling at $150 and over, ⅜ of one per cent.
$100 selling at $200 and over, ½ of one per cent.

Under the old rule, stocks of no-par value and stocks of less par value than $100 were subject to the same commission as shares of $100 par value.

AMERICAN CONCERN SECURE OPTION ON K. AND S. TIRE CO.

Seiberling Rubber Co., of Akron Takes Over Management

THREE-YEAR CONTROL

Bonds Retain Their Value, Preferred Stock Much Depreciated, While Common Worthless

A three year option of the plant and property of the K. and S. Tire and Rubber Goods Co., has been given to the Seiberling Rubber Co., of Akron, Ohio, as an outcome of the bondholders meeting to decide on the future of this company, which has been struggling along under financial difficulties for several years.

The agreement entered into between the bondholders and the Seiberling interests is involved but briefly it covers the following points: (1) the sales force of the old company will be taken over by the Seiberling organization, which also agrees to market all inventories, the proceeds of which are to be paid over to the bondholders; (2) Seiberling agrees to market the entire output of the plant for a period of three years, paying cost and in addition 5 per cent., which is to go to the bondholders for depreciation, interest and other current charges; (3) at the end of three years (1930), the Seiberling company have the right to take over the plant and other assets upon an agreed basis.

Old Company Intact

Meantime, the old company remains intact, being operated by and for the benefit of the bondholders. They will retain all the liquid assets and assume responsibility for current liabilities. The latter will be taken care of by the receipt of 5 per cent. of the value of products sold by the Seiberlig organization.

Plant operations will be carried on under the name of the K. and S. Rub-Co., while the sales force and marketing will be conducted through the Seiberling Rubber Co. of Canada, a subsidiary of the parent organization in Akron, Ohio. To this end, Clifford A. Jones, assistant general sales manager of the Akron company has been appointed vice-president and managing director of the new company, while R. J. Thomas and Dr. W. W. Saunders will become secretary and treasurer and factory manager, respectively, of the Toronto plant.

In the event of the Seiberling interests taking up their option, certain readjustments of the capital structure have been agreed upon. Outstanding bonds to the value of $376,300 will be taken over by the option-holders.

They will also take care of the 15 per cent. of $1,025,000 preferred stock outstanding, or $153,750.. The common stock—face value $2,000,000—will be worthless. In its place 10,000 shares of new common stock of $1.00 par value will be issued and taken up by the Seiberling company.

The nistory of this company dated back to 1913, when the K. and S. Canadian Tire and Rubber Co., was formed. At that time the company's plant was located in Weston and for a number of years it was the only company in Canada manufacturing a full line of druggists' molded rubber sundries. It built up an excellent reputation for the quality of its products and virtually supplied all the requirements of the domestic market as well as carrying on a large and profitable business in foreign countries.

Six years later the K. & S. Tire and Rubber Goods Co. was incorporated to take over the operation of the old company. Plant and equipment were moved to Toronto and modern machinery installed for the manufacture of cord and fabric tires. The business of the company expanded rapidly and its sales organization was estimated to include 2,700 dealers in all provinces of the Dominion. In addition they manufactured tires for some of the automobile companies.

Despite this favorable showing, the unwieldy capital structure of the company led to its downfall. Sinking fund requirements were not complied with and bond interest payments fell behind. The company made heavy borrowings from their bankers and when unable to repay, action was taken which caused the mortgage holders to come to an agreement with the Seiberling Co. of Akron, in order to protect their interests.

The interim balance sheet of the K. and S. Tire and Rubber Goods Co., as of December 31, 1926, the latest available, show liquid assets before depreciation of $567,831 and current liabilities of $575,195, of which the liability to the bank was $346,262.

Taylor Back from South

W. B. Taylor, president of the North American Life, has recently returned from Florida where he has been spending a short vacation.

Goodyear Shareholders Approve Capital Change

Shareholders of Goodyear Tire & Rubber Co. have approved the proposal of directors for revision of the capital structure.

The new set up will be a 7 per cent. cumulative preferred to replace the old prior preference and the 6 per cent. second preferred and a new no-par common to take the place of the old common. The 1¾ per cent. arrears on the old second preference will be paid April 15th, to shareholders of record March 31st. The basis of exchange is share for share.

The company is operating its three plants (including the cotton plant at Ste. Hyacinthe), at capacity and there have been reports of additions to buildings and equipment to take care of expected demands. It is improbable, however, that any expansion will be preceded by additional financing, as the policy of the directors is said to be that expansion should be financed out of earnings.

QUEBEC PULP & PAPER MILLS, LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

as at 31st December, 1926

ASSETS

Fixed Assets:		
Timber Lands, Water Powers, Mill and Other Buildings, Plants and Equipment, Transmission Lines, etc., at Book Values		$14,481,629.81
Less Reserve for Depreciation		339,155.84
		$14,142,473.97
Investments at Book Value		17,536.20
Deferred Payments on Assets Sold		187,879.64
Current Assets:		
Cash in Bank and on Hand	$104,454.27	
Notes Receivable	44,645.72	
Accounts Receivable	232,198.22	
Inventories:		
Mechanical Pulp	396,136.43	
Pulpwood	972,955.28	
Stores and Supplies	159,062.41	
Expenditure on Account of Pulpwood 1926-27	227,617.63	
		2,137,069.96
Prepaid Expenses		40,910.15
Sinking Fund:		
Cash in Hands of Trustees-Chicoutimi Freehold Estates Limited		22.25
Securities held in Guarantee of Wood Contracts 1926-27		24,000.00
Claims—Book Value		1.00
		$16,549,893.17

LIABILITIES

Capital Stock:		
Authorized:		
120,000 7% Cumulative Preferred Shares of $100.00 each	$12,000,000.00	
100,000 Common Shares, of $100.00 each	10,000,000.00	
	$22,000,000.00	
Issued:		
69,066 7% Cumulative Preferred Shares fully paid		6,906,600.00
70,218 3/100 Common Shares fully paid.		7,021,803.00
		$13,928,403.00
Funded Debt:		
Chicoutimi Freehold Estates Ltd. First Mortgage 6% 15 Year Gold Bonds	324,606.00	
La Cie. des Eaux et d'Electricité de Chicoutimi: First Mortgage 5% Gold Bonds	92,000.00	
Ha! Ha! Bay Land & Building Co.: First Mortgage 5½% Bonds	85,700.00	
		502,306.00
Liability for Securities held in Guarantee of Wood Contracts 1926-27		24,000.00
Current Liabilities:		
Accounts payable	38,394.87	
Due to Wood Contractors	143,851.06	
Accrued and Unclaimed Wages	29,583.47	
Reserve for Lake Kenogami Reservoir Water Power	128,894.66	
Reserve for Legal Fees, Claims and Other Accrued charges	98,753.17	
Reserve for Income Tax	6,488.48	
		445,965.71
Reserves:		
For depletion of Limits	1,267,388.39	
General	32,520.19	
		1,299,908.58
Surplus		88,736.00
Capital surplus		260,573.88
Contingent Liabilities:		
In respect of Lawsuit against Chicoutimi Pulp Co. (in Bankruptcy) which, if successful, will be settled by issue of Common Stock to amount of 50 per cent of judgment.		
In respect of any claims which may arise against the Saguenay Light & Power Co. under its guarantee in contract of 31st May, 1923.		
Note:—Cumulative Preferred Dividend in Arrear from 1st July, 1925.		
		$16,549,893.17

A. Stewart McNichols, President.
Donat Raymond, Vice-President.

Consolidated Profit and Loss Account

For the Period from 12th March to 31st December, 1926.

Pulp Sales—NET		$2,467,061.07
Selling Expenses and Handling Charges		351,667.03
		$2,115,394.04
Cost of Goods sold		1,631,461.60
Gross Profit on Pulp		483,932.44
Other Revenue		90,133.61
		$574,066.05
General and Administration Expenses		112,159.55
		$461,906.50
Deduct:		
Interest on Bonds	$22,237.15	
Bank and other Interest Net	18,695.94	
Charges re: Lac Kenogami Reservoir Water Power	140,116.60	
Depreciation	146,879.85	
Depletion of Limits	51,872.28	
		379,801.82
Net Income before Income Tax		82,104.68
Reserve for Income Tax		6,488.48
Net Income for Period		$75,616.20

Consolidated Surplus Account

Net Income for Period 12th March to 31st December, 1926		75,616.20
Add:		
Profit on Assets Sold	$12,997.45	
Rebates of Insurance and Surplus Reserves of Saguenay Light & Power Co.	422.35	
		13,419.80
		$89,036.00
Deduct: Premium on Bonds of La Cie des Eaux et d'Electricité de Chicoutimi, Redeemed		300.00
Consolidated Surplus as at 31st December, 1926.		$88,736.00

CERTIFICATE OF AUDITORS

We have audited the accounts of the Quebec Pulp and Paper Mills Ltd., and its subsidiary companies for the period from 12th March to 31st December, 1926, and have obtained all the information and explanations which we have required.

We certify that the above Consolidated Balance Sheet and relative Profit and Loss and Surplus Accounts are, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1926, and of its operations for the period ended at that date, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.

Montreal, 26th February, 1927.

The
Canadian Fairbanks-Morse Company Limited

Annual Report
for the year ending December 31st, 1926

TO THE SHAREHOLDERS:—

Your Directors submit the Twenty-Second Annual Report of your company for the fiscal year ended December 31st, 1926, accompanied by the balance sheet and statement of profit and loss, certified by your auditors, Messrs. Price, Waterhouse & Company.

The year under review has been one of continued progress in the Dominion. Despite very unfavourable harvesting weather the yield of wheat and other grains was abundant, agriculture in general was satisfactory, and industry on the whole was active and fairly profitable. Reflecting these conditions, the sales of your company showed an increase over the previous year of almost 15%, gross profits were well maintained, while the ratio of expenses was reduced. The result was a net profit before provision for income taxes of $242,602.33 compared with $141,669.47 in 1925. The balance sheet will indicate the strong financial position of your company, the net working capital having been increased by an amount of $313,189.69 during the year.

The physical condition of your properties has been well maintained during the year, and they, together with machinery, equipment, furniture and fixtures, are adequately insured against loss by fire. Inventories of merchandise were taken at the end of the year on a basis of cost or market, whichever was lower, and provision was made for all goods of an obsolete or slow-moving character.

Your company contributed during the year the sum of $16,898.07 to The Canadian Fairbanks-Morse Pension Fund. The assets in the hands of the trustees of the Pension Fund at December 31st, 1926, were $417,139.79, all of which, with the exception of a small working balance, were invested in high grade securities. This fund is not included in the figures of your company on the accompanying balance sheet.

Your Directors have seen fit to relieve of their obligations the remaining employees who in 1920 subscribed for shares of Common stock upon the instalment payment basis. These subscriptions were made prior to the adjustments in the company's affairs which have taken place in the interim and no instalments have been demanded since the early part of 1921. It appeared to your Board undesirable to endeavor to enforce these contracts, made at a price much in excess of the present value, and with the consent of the subscribing employees the 2,201 shares involved have accordingly been declared forfeited and cancelled, resulting in a reduction in surplus of $93,542.50.

Your Directors desire to express their appreciation of the services rendered by the employees of the company throughout the year.

On behalf of the Board of Directors,
THOMAS McMILLAN,
President.

BALANCE SHEET—DECEMBER 31, 1926

LIABILITIES

Shareholders' Account:		
Six Per Cent. Cumulative Preference Stock-15,000 Shares of $100.00 each, authorized and Issued...		$1,500,000.00
Common Stock, and Surplus (as per statement attached) represented by 125,000 Shares of No Par Value, of which there are outstanding 80,000 Shares		1,949,046.66
		$3,449,046.66
NOTE: Minimum Capital with which Company is authorized to carry on business $2,125,000.00.		
Mortgage on Vancouver Property		185,000.00
Current Liabilities:		
Trade Accounts Payable	$276,170.17	
Fairbanks-Morse & Company and its Subsidiaries	329,952.59	
Selling Commission accrued and other Liabilities..	61,743.69	
Provision for Dominion and Provincial Taxes	26,278.22	
		694,144.67
Reserves:		
For Depreciation	$846,615.75	
For Bad and Doubtful Accounts	76,342.89	
Miscellaneous	151,938.38	
		1,074,897.02
		$5,403,088.35

NOTE: No dividends have been paid on the Cumulative Preference Stock for the years 1924, 1925 and 1926.

Contingent Liabilities:

Guarantee in respect to dividend on $300,000.00 7% Preferred Stock of E. & T. Fairbanks & Company, Limited, Sherbrooke, P.Q.

ASSETS

Capital Assets:		
Land and Buildings	$1,535,680.97	
Machinery and Equipment	701,300.98	
Furniture and Fixtures	25,000.00	
Goodwill and Patents, Patterns and Drawings	1.00	
		$2,261,982.95
Investments:		
Investments in securities of E. & T. Fairbanks & Co., Ltd., and advances on Current Account		51,089.80
Current Assets:		
Inventories of Merchandise	$1,629,209.57	
Trade Accounts and Bills Receivable	1,302,358.28	
Cash in Bank and on Hand	151,411.26	
		3,082,979.11
Deferred Charges to Operations		7,036.49
		$5,403,088.35

Approved on behalf of the Board:
C. J. BRITTAIN, Director.
THOMAS McMILLAN, Director.

PROFIT AND LOSS AND SURPLUS ACCOUNT

DECEMBER 31, 1926

Profit for the year after deduction of Selling, General and Administration Expenses		$ 324,701.74
Deduct:		
Interest	$32,012.12	
Pension Fund Contribution	16,898.07	
Provision on account of Depreciation	24,058.46	
Bad Debts written off, less recoveries	9,130.76	
		82,099.41
Profit on Operations		$ 242,602.33
Deduct:		
Provision for Dominion and Provincial Income Tax		22,000.00
Balance of Profit		$ 220,602.33
Surplus Balance December 31st, 1925		1,821,986.83
		$2,042,589.16
Deduct:		
Reduction in Surplus resulting from the forfeiture and cancellation of 2,201 shares of Common Stock held by Employees		93,542.50
Surplus Balance December 31st, 1926 ...		$1,949,046.66

AUDITORS' CERTIFICATE

Montreal, March 15th, 1927.

TO THE SHAREHOLDERS,

THE CANADIAN FAIRBANKS-MORSE COMPANY, LIMITED.

We have audited the books and accounts of The Canadian Fairbanks-Morse Company, Limited, for the year ending December 31st, 1926, at the Head Office in Montreal, and have been furnished with returns from the various branches certified to by the managers, and with all the information and explanations which we have required.

The inventories of stocks on hand at December 31st, 1926, have been certified to by responsible officials of the Company, and provision for loss has been made for all outstanding accounts now considered bad and doubtful.

The cash and investments at the Head Office have been verified by us and the bank balances of the branches reconciled with certificates received from the company's bankers. So far as we can determine, all liabilities of the company at December 31st, 1926, have been taken up on the books at that date.

And we certify that, in our opinion, the attached balance sheet at December 31st, 1926, is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the company.

PRICE, WATERHOUSE & CO., Auditors.

A CANADIAN-WIDE ORGANIZATION
Branch Offices and Warehouses:
Saint John, N.B., Quebec, Que., Ottawa, Toronto, Windsor, Ont., Winnipeg, Regina, Calgary, Vancouver, Victoria.
Head Office, MONTREAL

CABIN CLASS from MONTREAL

Four days open sea by the mighty water boulevard to Europe.

The same attentive service and accommodations for all.

The entire ship is yours for the trip. Moderate rates.

For further information ask your steamship agent, or—

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World's Greatest Travel System

What Our Service Does For You

MAINTAINS constant supervision over investment holdings, provides reports, and recommends purchases, sales and exchanges. Through our Weekly Letters we keep you informed regarding business and financial conditions, the trend of security prices, the outlook for individual companies, etc. This service also includes a personal consultation privilege.

MOODY'S INVESTORS SERVICE
35 Nassau Street New York
CHICAGO PHILADELPHIA BOSTON LOS ANGELES

APPRAISALS REPORTS INVESTIGATIONS
Industrials–Public Utilities–Natural Resources

Fact—or Fiction?

AN Appraisal may be employed for any of a number of uses — but to be of value, regardless of use, it must be a document of provable facts.

To the man who wants to believe only that which agrees with his own conclusions, the opinion appraisal may be as refreshing as the latest novel. But such an appraisal carries little weight when faced with the FACT APPRAISAL —a detailed analysis of a property, each element priced in accordance with irrefutable facts.

A CANADIAN APPRAISAL is a provable valuation—for those who prefer facts about their properties.

Canadian Appraisal Company Limited 10

Montreal, Toronto, Winnipeg, New York.

SIXTEEN years before Confederation Robert Mitchell produced the first piece of Mitchell Metalcraft in a little shop on Craig Street in Montreal.

Seventy-six years have passed, and to-day Mitchell Metalcraft is found in the leading public buildings, banks, and financial houses throughout Canada.

Architectural Bronzes

Wrought Iron Fixtures

Commercial Bronze Plates

The ROBERT MITCHELL COMPANY-LIMITED MONTREAL

C.P.R FIGURES SHOW EXPANSION IN FISCAL YEAR

Land Sales Greater — Revenue from Ocean Services is Improving

IMMIGRATION GROWS

Management Speaks of Need for Economies in All Public Expenditure

From Our Own Correspondent.

MONTREAL.—The Canadian Pacific Railway's annual report reveals several changes in the balance sheet including a decided increase in the company's working capital. The working capital position of the road over the past four years compares as follows:

	1926	1925	1924	1923
Current assets	$80,418,960	$67,793,886	$82,024,949	$69,748,704
Current liabilities	19,740,982	18,863,081	19,676,752	30,034,603
Working capital	$60,677,978	$48,930,805	$62,348,197	$39,714,101

The total assets now stand at $1,137,909,100, as compared with $11,113,872,692 at the close of 1925. The fixed assets total $726,225,369, an increase of some $16,000,000 during the year. The land assets are carried at a figure of $93,805,856, a decline of some $5,500,000 during the year.

Among the liabilities, the common, preference and debenture stock, and collateral trust bonds are carried at the same figure as last year. Note certificates outstanding are lower by some $11,500,000, and equipment obligations have been increased by just under $10,000,000. The surplus derived from operations has increased some $7,400,000. The company's other reserves stand lower this year than at the close of 1925.

Chief Features in Report

The chief features of the president's remarks to the shareholders are as follows:

The management regards the results of the year's operations as satisfactory, and points out that the future strength of the company depends on the availability of surplus earnings for reinvestment in improvements and betterment to the property, the necessity of which is continuous.

The decline in the special income account, in which are the earnings from miscellaneous sources and from ocean services, declined due to a moderate decrease in the net earnings of ocean and coastal steamship lines. During the year the company sold 365,655 acres of land for $4,714,139, being an average price of $12.89 per acre. While the net earnings of the steamship services were lower than in 1925, this was due entirely to the inclusion of certain 1925 accounts in the 1926 figures. Operating earnings from steamships on both oceans showed a gratifying improvement.

Completing New Ships

The company has contracts for the completion of two new passenger vessels of the Montcalm type and five freight vessels on which work is proceeding. They will be completed by the summer of 1928.

During the year the company completed 192 miles of new tracks in the West, and the management will ask the shareholders to authorize an issue of consolidated debentures to aid in the construction of a further 158 miles.

The operations of its subsidiary, the Soo line, were unsatisfactory, and the property produced a net surplus of only $121,000, as compared with $1,764,000 in 1925. The poor showing was due to the failure of the crops in the territories served, but the directors feel that conditions in that territory will produce more stable traffic and an improvement in railway earnings in the future.

Where Stock is Held

The management points out that, while the progress of the Dominion has been substantial, yet they are convinced that all public expenditures should be carefully scrutinized and restricted. Immigration increased materially in 1926 and there were 130,569 new settlers admitted during the year, as compared with 80,904 in 1925. With the co-operation of the government and the transportation agencies, the prospects for immigration this year are even better.

The remarks of the president concluded with the position of the holdings of the common stock which are as follows:

United Kingdom, 53.96 per cent.; Canada, 19.43 per cent.; United States, 18.74 per cent.; France, 2.87 per cent., and other countries 5 per cent.

Public Utility Earnings

Northern Mexico Power

February—	1927	Increase	%
Gross	120,034	26,022	27.68
Net	100,309	25,124	33.41
2 months—			
Gross	246,488	49,889	25.38
Net	205,997	47,073	29.62

Cape Breton Electric Company

	Jan.-1927	Jan.-1926	Increase
Gross Earn.	$64,509.49	$55,105.84	$9,403.65
Oper. Exp. and Taxes	44,538.21	44,039.53	498.68
Net Earn.	$19,971.28	$11,066.31	$8,904.97
Int. charges	5,706.35	5,709.46	x3.11
Balance	$14,264.93	$ 5,356.85	$8,908.08

Barcelona Traction

February	1927 Pesetas	1926 Pesetas	Change Pesetas
Gross Earn.	7,886,258	7,554,672	+331,586
Oper. Exp.	2,100,612	2,237,834	—137,222
Net Earn.	5,785,646	5,316,838	+468,808
Aggre. Gross from Jan. 1	15,990,388	15,666,623	+323,765
Aggre. Net from Jan. 1	11,716,947	11,192,750	+524,197

Jamaica Public Service

January—	1927	1926	Increase
Gross Earn.	$63,619	$56,790	$6,829
Oper. Exp. and Taxes	33,719	34,006	x346
Net Earn.	$29,900	$22,724	$7,176
Int. Charges	6,153	6,247	x93
Bal. for Res., Retire., and Div.	$23,746	$16,476	$7,269
12 mos. end. Jan. 31	1927	1926	Increase
Gross Earn.	$658,933	$627,841	$31,092
Oper. Exp. and Taxes	396,370	390,656	5,714
Net Earn.	$262,562	$237,185	$25,377
Int. Charges	74,511	78,604	x4,092
Bal. for Res., Retire., and Div.	$188,051	$158,580	$29,470

xDecrease.

The above figures converted from £ Sterling at the rate of $4.86 2/3 to the £1.

National Breweries Now Occupies Strong Position

From Our Own Correspondent.

MONTREAL.—At the annual general meeting of the National Breweries the board of the company was materially strengthened by the addition of Hon. Donat Raymond, Frank P. Jones and Julian C. Smith to the directorate. J. D. Hudson and Kenneth T. Dawes were appointed vice-presidents, filling the vacancies created by the deaths of Thomas Cushing and Col. G. R. Hooper.

During the daylight saving period this year the taverns in the province of Quebec will remain open one hour later at night than was formerly the case. It is estimated that the inns do about two-thirds of their total beer business during the hours after 8 p.m. Thus it is anticipated that the additional hour in the evening will add very materially to the total sales of beer in the province. The new arrangement will go into effect on May 1 next. It is said that this additional hour in the evening should increase the National Breweries, gross profits by at least $1,500,000.

This combined with the present situation in Ontario, the expected influx of U. S. tourists, a greater export business and the greater strength of the board should result in a very satisfactory improvement in the earnings of the company during the year.

Quebec Southern Power Sells Stock to Customers

From Our Own Correspondent.

MONTREAL.—Satisfactory results are being achieved by the Quebec Southern Power Corporation in the customer ownership campaign which the company is holding in the territories which it serves. It is intended to distribute some 15,000 to 20,000 shares of the new common stock issue to the customers of the company.

The new issue of common stock which was recently offered the public has been favorably received. The issue amounting to 55,000 shares was offered at $27.50 per share. The majority of the directors of the corporation have intimated their intention to declare an initial dividend on the stock during the current year.

Up to the end of 1926, the Quebec Southern Power was in a constructional period and large sums were expended on transmission lines and equipment and in expanding the territory served which now includes 45 communities in the Laurentian districts lying immediately to the north of the island of Montreal. For the future, the company stands to benefit through increased earnings due to these expansions.

It is intended ultimately to make application to list the shares on the Montreal and Toronto stock exchanges.

Issue Insurance Licenses

Dominion insurance licenses have been issued to the Alliance Insurance Company of Philadelphia, to write hail insurance; and to Glens Falls Insurance Company to write property damage insurance.

DOMINION COAL IS CONTROLLED BY STEEL CORPORATION

(Continued from page 1

ings of the capital stock of the corporation, and in view of the importance of the present situation to the public generally and to the people of Nova Scotia in particular, it is essential that the preparation of plans for the dissolution of the corporation and the distribution of its assets should be prepared under the supervision of the court," and that "no procedure for the preparation of such plans not so conducted can have the confidence of the shareholders and of the public."

In the subsequent paragraphs which form the preamble to the petition proper, the meetings of preferred and common shareholders called for April 11th, 12th and 13th in Montreal are mentioned and it is declared that the proxies which have been sent to these shareholders are "open" proxies which give the persons named therein, "the first of whom is Roy M. Wolvin," the right to exercise them at their own discretion. It is mentioned, also, that the circular which accompanied the notices of meetings and the proxies included no recommendation as to the procedure to be adopted.

Following are excerpts from the petition's preamble which sets forth details of the first Wolvin plan for dissolution reorganization. This plan and its subsequent modifications were rejected by National Trust Co.

Dominion Coal Co. would change its present common shares to shares of no par value and authorize an additional 250,000 shares, making a total authorized issue of 400,000 shares; Dominion Steel Corporation would transfer to Dominion Coal Co. $5,175,000 in cash (to be procured by Dominion Steel Corpn. as hereinafter stated), and all of the assets of Dominion Steel Corpn., including the $3,500,000 income bond of Dominion Coal Co. (which would thus be surrendered and cancelled); all the stock of James Pender & Co., of Cumberland Railway & Coal Co., and the stock and debentures of Sydney Lumber Co. and Dominion Shipping Co., and the stock of Daghild Steamship Co., together with $4,639,000 par value of consolidated mortgage bonds of Dominion Iron & Steel Co., guaranteed by Dominion Steel Corpn., which bonds were to be acquired by Dominion Steel Corpn. in the manner hereinafter stated.

Assume All Liabilities

Dominion Coal Co. would assume all liabilities of Dominion Steel Corpn., including its guarantee of Cumberland Railway & Coal Co. bonds and its $364,000 par value of equipment bonds and debentures.

Dominion Coal Co., in exchange for the above, was to issue to Dominion Steel Corpn. $4,639,000 of 5 per cent. debentures maturing May 1st, 1940, and 175,000 additional shares of no par value common stock.

The Dominion Steel Corpn., on the basis of the above transaction, would have in its treasury $4,639,000. Dominion Coal Co., Limited, 5 per cent. debentures due 1940, and 325,000 shares of no par value common stock of the Dominion Coal Co. It would be obligated to pay $5,175,000 cash to the Dominion Coal Co. and it would also be faced with its liability under its guarantee of $4,639,000 of Dominion Iron & Steel Co. consolidated mortgage bonds.

Dominion Steel Corpn. was to arrange with the holders of the said $4,639,000 of guaranteed consolidated bonds to accept in lieu thereof the said $4,639,000 5 per cent. debentures of Dominion Coal Co.

Dominion Steel Corpn. was to distribute and dispose of the said 325,000 shares of Dominion Coal Co. common stock, as follows:

To Dominion Steel Corpn. preferred shareholders 70,000 shares; to be sold for cash at $25 per share, 230,000 shares; to be given to re-organization managers 25,000 shares—total, 325,000 shares.

Commission of $2 a share

The sale of the above mentioned 230,000 shares was to be underwritten for a commission of $2 cash per share, and would thus provide $5,175,000 net to be paid to the Dominion Coal Co.

All the assets of the Dominion Steel Corpn. were to be thus distributed and all liabilities met and the company dissolved, there being no value for its common shares.

The underwriters were to offer 230,000 shares to be sold for cash, as follows:

To Dominion Steel Corpn. preferred shares (held by public) 47,055 shares; the British Empire Steel Corpn. first preferred shares (held by public) 80,321 shares; the British Empire Steel Corpn. second preferred shares (held by public) 99,917 shares; British Empire Steel Corpn. common shares (held by public) 21,305 shares—total, 248,598 shares.

Over-issue of Shares

It was pointed out that the amount so to be offered was in excess of the 230,000 shares available and that the Dominion Coal Co. should agree to fill any excess subscriptions direct from its available treasury shares, receiving the cash therefor.

It was also provided that the shareholders of Dominion Steel Corpn. and British Empire Steel Corpn. when exercising their subscription privileges should accompany the same by a proxy, voting for the dissolution and liquidation of their respective companies. The said Roy M. Wolvin advised your petitioner that the plan of reorganization had been prepared in collaboration with Mr. Richard F. Hoyt, a director of the corporation and of Dominion Steel Corpn., and your petitioner was strongly urged by Mr. Wolvin to approve the proposed plan of reorganization.

National Trust Co.'s reasons for rejecting this plan are set forth as follows:

Basing its opinion on its apprehension of the proposed plan as hereinbefore set out, your petitioner advised Roy M. Wolvin that in its opinion the proposed plan for reorganization involved an entirely unjustifiable gift of the assets of Dominion Steel Corpn. to the Dominion Coal Co., the benefit of which would enure to the underwriters' reorganization managers or purchasers of the proposed issue of 230,000 no par value shares. Your petitioner further advised Roy M. Wolvin that inasmuch as the said plan of reorganization on the basis of the values attached to said no par value shares of Dominion Coal Co., by the plan, allocated only $1,750,000 of assets of Dominion Steel Corpn., in satisfaction of its $7,000,000 of preference shares and provided for the dissolution of said corporation without any provision for the holders of the common shares of said corporation, it was obvious that, on the basis of plan your petitioner would receive nothing whatsoever in respect of the $4,750,000 par value of second preference shares of the corporation which it held as trustees aforesaid.

Object to Plan

Your petitioner also advised Roy M. Wolvin that the objections which it raised to the plan could not, in its opinion, be in any way met by the proposed granting of subscription rights to various classes of shareholders as above mentioned, for the reason that said shareholders and the bondholders of Dominion Iron & Steel Co., as the beneficial owners of the preference and common shares of the corporation standing in the name of your petitioner and of Dominion Iron & Steel Co. comprised thousands of individuals, many of them with small holdings and widely scattered throughout this continent and in Great Britain and Europe, with no sufficient knowledge of the facts or confidence in the situation to warrant them in putting new money into the enterprise, even if they were in a financial position to do so, and that in any case the complete extinction of any interest which actually existed could not be justified by offering the holders of such interest a mere subscription right enabling them to acquire a new security at a price substantially below its intrinsic value.

Quebec Southern Power Corporation

55,000 Shares Common Stock
(no par value)

A Remarkable Record

In the past three years the aggregate value of the common stocks of a half dozen of the more prominent Quebec hydro-electric power companies have increased in market value more than $173,000,000. This represents a capital appreciation of 60% in addition to steadily increasing dividends.

WE RECOMMEND the purchase of the above new issue common stock.

It represents an investment in a light and power company whose growth has been steady and secure—serving a territory with a population in excess of 125,000, and one admirably adapted to immediate and continuous increase of light and power use.

The Quebec Southern Power Corporation carries our fullest endorsation as a company whose common stock will appreciate both in capital value and in dividends earned.

Price $27.50 per share

BROWNE, URQUHART & COMPANY
LIMITED
INVESTMENT BONDS
180 ST. JAMES STREET, MONTREAL

The issue having been oversubscribed, this advertisement appears as a matter of record only.

NEW ISSUE

$1,000,000

The Guelph Carpet & Worsted Spinning Mills, Limited

6% First Mortgage and Collateral Trust Twenty Year Sinking Fund Gold Bonds

Dated March 1st, 1927. Due March 1st, 1947

Principal and semi-annual interest (1st March and 1st September) payable at the chief office of the Bank of Montreal, Toronto, or Montreal at holder's option. Coupon Bonds in denominations of $1,000., and $500., registerable as to principal only. Subject to redemption at the option of the Company in whole or in part, on any interest date, on sixty days notice, at the following prices and accrued interest: Up to and including March 1st, 1932, at 105, thence to March 1st, 1937, at 104, then to March 1st, 1942, at 103, thence to September 1st 1946, at 102.

Trustees: THE ROYAL TRUST COMPANY, TORONTO.

For information regarding the Company and this issue of Bonds, we refer you to the letter from W. W. Gaunt, Esq., President, The Guelph Carpet & Worsted Spinning Mills, Limited, from which he summarizes:

THE COMPANY: Originally founded over forty years ago, the business now owned by The Guelph Carpet & Worsted Spinning Mills Limited has experienced a steady growth, until its Spinning Mill is now the largest and its Carpet Mill the second largest in Canada. The products manufactured comprise woollen yarns and carpets of various sorts, and have an enviable reputation for quality throughout the Dominion.

PROPERTY: The manufacturing plants are situated in Guelph, Ont., are completely equipped with spinning and carpet weaving equipment together with the necessary installation for handling material from raw wool to finished product.

CAPITALIZATION

First Mortgage 6% Bonds due 1947 (this issue)	$1,000,000
Common shares (without nominal or par value)	15,000

SECURITY: This issue of $1,000,000. of 6% Twenty Year Sinking Fund Gold Bonds is secured by a First (Closed) Mortgage on all the Company's fixed property and plant now owned and hereafter to be acquired. In addition, there is specifically mortgaged and pledged certain shares of stock of associated and other Companies, all returning substantial dividends to the Company.

ASSETS: The depreciated value of the Company's fixed assets is $1,058,576; net current assets, after deducting all current and floating liabilities, amount to $441,719. The before mentioned investment Stocks are shown in the Balance Sheet at their par values of $972,301., which in Mr. Gaunt's opinion is considerably below their true intrinsic values. Total net assets, after deducting all current liabilities and making no allowance for good-will or other intangible items, amount to $2,472,597, or $2,472. for each $1,000. bond outstanding.

EARNINGS: Net earnings of the business now owned by Company, before deducting depreciation or Dominion income tax, together with dividends paid on Investment Stocks mortgaged and pledged as part security for these bonds, have been as follows:—

Year ending September 30th, 1924	$318,390
11 Months ending August 31st, 1925	237,647
Year ending August 31st, 1926	278,605
6 Months ending February 28th, 1927	144,497

Being an average for the three years and five months at the rate of $286,576. per annum or over four and one half times interest requirements on the bonds of this issue.

SINKING FUND: A cumulative Sinking Fund calculated to be sufficient to redeem the entire issue at or before maturity, commences March 1st 1928.

The Bonds are offered if, as, and when issued and received by us, and subject to satisfactory legal opinion from our solicitors Messrs. Long & Daly, Toronto. Interim Certificates of the Royal Trust Company, exchangeable for, and pending delivery of the Definitive Bonds, are now ready for delivery.

Price 96½ and accrued interest to yield over 6.30%

HANSON BROS. R. A. DALY & CO.

ROYAL SECURITIES CORPORATION
LIMITED

The information contained in this advertisement is not guaranteed, but has been obtained from sources we deem reliable, and on which the purchase of the Bonds has been made.

THE FINANCIAL POST

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TORONTO, APRIL 1, 1927

WHO OWNS WORD "TRUST"?

RISE of investment trust organizations in Canada raises a live question as to the propriety of the use of the word "trust" in connection with these companies. The problem has not arisen in England or Scotland, where such organizations abound, because there is not the same governmental control of trust company operations that we have in Canada.

In Canada, trust companies are under governmental supervision, either of the Dominion government or the provinces. Very exact regulations are set down governing the financial operations of trust companies. Restrictions are set upon the proportion their borrowings may bear to the capital, assets, etc. Frequent inspections insure proper handling of their affairs. The trust companies do not object to this government regulation; rather, they welcome it as tending to win public confidence. But they do feel that no organization should be permitted to operate on similar lines without similar control.

The new investment trusts will probably avoid any real issue being raised if they refrain from issuing securities under titles that conflict with the names given to the securities issued by the trust companies; such phrases as guaranteed investment receipts; trust certificates, etc., might best be avoided by them.

Whether any real objection will be taken to the use of the word "trust" is a matter that time will indicate, but the precedent of the several hundred uncontrolled British and Scotch trusts is likely to prove a strong factor in winning for the new organizations an unimpeded development.

The question is not one likely to lead to recriminations or ill-feeling if investment trusts and trust companies each have some regard for the field to be served by the other and get together to avoid any suggestion of stepping on each other's toes.

OUR TRADE TREATIES

A GENTLEMAN signing himself R. J. Deachman, and writing from Ottawa, protests against the recent article in The Financial Post, in which it was shown that Canada's foreign trade treaties are building markets for Canadian agriculture at the expense of Canadian industry. He traces The Post's criticism of these treaties to our antagonism to the present federal government. Mr. Deachman, of course, is setting up a straw man. Most of these treaties have been inaugurated by Hon. James A. Robb, for whom The Post has often enough expressed its high regard.

No, there was no thought of antagonism to the government in revealing the rather unfortunate effect of these treaties, rather The Post was expressing the opinion of many Canadian business men who have found their interests sacrificed, in these treaties, to make a Roman holiday for the farmers. As treaty after treaty has gone into force and Canada has gained concession, real or doubtful for our natural products, in exchange for opening the flood-gates for cheap merchandise from abroad—from France, Czecho-Slovakia, Germany, Belgium, Netherlands, etc.—Canadian industrial leaders have been forced to the view that the treaties, by design or accident, have provided a means to lower the Canadian tariff without seeming so to do.

This week, one of the leading industrial executives of the Dominion, vice-president of a company employing thousands of men and selling its products from coast to coast, wrote to The Financial Post approving the estimate of the weaknesses in these treaties. He said: "The series of trade treaties entered into in the last few years, together with the possibility of similar treaties being extended to Germany, and no doubt in time to the United States also, creates a most important problem for Canadian industry and Canadian workmen."

It is doubtful if even the members of the cabinet would attempt to justify the French treaty. This treaty has been of practically no value in increasing our trade with France, in fact the general trend of our exports there has been downward. But it has greatly increased French sales in Canada. And these sales have included scores of items that compete directly with the products of our factories. Certainly we have gotten nothing in return, nothing, at least, worth getting, for our generosity in reducing the tariff on goods from France. From France we purchase seed, dressed furs, leather gloves, silks, dress goods, worsted serges, artificial silk fabrics and cast iron pipe, as well as a number of lines which do not so intensively come into competition with our own manufactures. It is a safe bet that if there were not sentiment and the consequent Quebec votes to be considered, the government would have backed out of the French treaty ere this.

The new West Indies treaty is another pact that is beginning to look like an expensive arrangement.

SCANDAL BARED

COULD there have been any more direct proof of the inefficient manner in which the sales tax has been collected than the evidence at the Toronto sitting of the customs and excise enquiry. The head clerk of the sales tax branch in Toronto declared under oath that at March 19 there was $852,740 in arrears in sales taxes in Toronto alone. And of this amount $135,525 was due from firms that had assigned before the sales tax could be collected. Individual amounts ran from a few dollars to about $170,000.

This is very serious evidence of a most calamitous situation. Obviously, the government will lose a very large share of the $135,000 owing by firms in liquidation. It will lose a large part of the total amount of $852,740. The losses in Toronto will be multiplied many times throughout the country as a whole. There is no reason to assume that Toronto has been any more a pest-hole of inefficiency and discrimination in sales tax collection than any other centre in Canada.

The losses to the government, serious as they are, do not represent the only loss in these sales tax arrears. There is a direct and traceable loss to all sound business houses that pay their taxes promptly. In their selling prices they have included sales taxes. Firms that have not been paying their sales taxes have probably cut their quotations to get business, and have thus interfered with honest firms. And there is another serious feature of the situation that was emphasized in these columns some weeks ago when this question of sales tax arrears was first raised in Canada. This is the fact that the firm that has not paid its sales taxes has been operating, without the payment of interest, on government money. The government has been taking the ordinary risks of business and has not even been getting bank interest for the work.

Hon. W. D. Euler, Minister of National Revenue assures us that sales tax arrears will be cleaned up, and that no further arrears will be allowed. In carrying out this policy, he will require the co-operation of his departmental organization. This apparently he has not had in the past, to judge from the condition of affairs in Toronto. But this failure to gain such co-operation has probably been due as much as anything to lack of sufficient staff.

TRADING IN EQUITIES

TRADING on the equity is a somewhat technical phrase that is used in connection with modern business. It has reference to the practice of borrowing a large part of the capital of a business at a low rate of interest, the original capital of the owners of the business being only a small proportion of the total capital used. If money can be borrowed at six per cent. and can be made to earn ten per cent., obviously all of the balance accrues to those who do the borrowing. If a company can be successfully operated on a small equity and large borrowings, that is on a small capital stock issue and large bond issues, it can make enormous profits for the holders of the stock.

Trading on the equity is somewhat reminiscent of the little girl who had a little curl and of whom it was remarked that "when she was good, she was very, very good but when she was bad, she was horrid." When business is good the company with a small bond capital stock issue and a large bond issue, on which it pays only a moderate rate of interest, will make very large profits for the stockholders. But when business is bad the losses chargeable against the stockholders multiply very rapidly.

It is like playing the stock market on a marginal basis. If one has bought a $100 stock on a ten dollar margin (that is paying $10 and borrowing the $90 either from the broker or from the bank) one has made an enormous profit if the shares have climbed to $150. The original capital has been increased from $10 to $160. If one bought the share of stock on a $50 margin the original investment has only been doubled—from $50 to $100. If one bought the share of stock outright for $100 cash the investment has only risen in value from $100 to $150. But, conversely, a decline in the shares soon wipes out the original investment if the margin is but $10; it soon endangers it seriously if the margin is $50 and only wipes out a portion of the investment if the stock is bought at $100, outright for cash.

The attractions of trading on the equity lead many concerns to the issuance of large blocks of bonds. In the case of a railway or public utility where earnings are likely to be fairly stable, bonds may be issued to as much as 75 per cent. or more of the total investment, the preferred and common shares representing only around a quarter or so of the total. But in industrial companies, that are likely to note substantial fluctuations in earnings from year to year, too large a mortgage indebtedness is as serious a danger as a large mortgage on a house is for a man whose continued employment is not assured or who has not a savings account, equivalent to the reserves of a corporation.

The rise of the modern corporation has introduced this interesting phenomenon of trading on the equity but it is a practice that can only be carried on within reasonable bounds.

ONCE DESPISED

MORE and more are governments, corporations and individuals relying upon and using the services of the scientist. But it has taken many centuries for the man of science to come into his own and in the past he has ofttimes been burnt at the stake. To-day the situation has been reversed. The value of the scientific mind, the scientific training and the scientific outlook on life are fully realized.

But there is one exception, the political scientist.

Curiously enough, the political scientist or economist is still despised and rejected. By many business men he is regarded as a dreamer, an idealist and a useless adjunct to academic life. The economist is still burnt at the stake—intellectually.

But times change and the world moves slowly on. There are signs that the day of the political economist is dawning. One of the largest and certainly one of the most go-ahead banks in the Dominion has its own economic department in charge of two able economists.

For the future perhaps the work-a-day world may gain some glimmering of the real value of this branch of science, much as it has finally recognized the important part played by other scientists in the general welfare and comfort of the community.

In Europe, the economist now ranks high and his importance is steadily increasing. He is constantly consulted by governments and by corporations. In America due to the wealth of natural resources and the comparative ease with which the individual earns a living, the economist has occupied a secondary, a very secondary place.

But in things intellectual and in things of the spirit, America follows the lead of Europe. Canadian economists may now look forward to a greater recognition of their abilities and a greater public realization of their importance in the national weal.

RULES FOR DOLLAR DOWN

THREE rules to follow in buying on the partial payment plan are:

1. Don't buy anything on credit unless you know its true value.

2 Don't buy anything on credit that will wear out and lose its value before you have finished paying for it.

3. Don't buy anything on credit that you do not desire greatly enough to be willing to undergo sacrifice in some other direction.

These rules are set out in an article in Collier's Weekly, by William G. Shepherd, entitled, "They Turn Your Promises into Cash," an interview with John J. Raskob, chairman of the finance committee of the General Motors Corporation. The writer says that Mr. Raskob is "father of the General Motors Acceptance Corporation and that more than one and a half million families have been enabled to buy new or used motor cars by means of Mr. Raskob's instalment system."

Mr. Raskob is quoted: "Since seventy-five per cent. of motor cars are bought on the instalment plan it is perfectly clear what an enormous difference would have been made had no cars been sold except to persons who were able to pay cash down. We have found that consumers' incomes have been able to meet payments. Four-fifths of all the cars used to-day are fully paid for.

"At this moment more than 600,000 accounts are in our hands; the average is $350. We know from experience that these debts will be paid. The loss will not equal one-fifth of one per cent."

Mr. Raskob says that unsound instalment buying of the fly-by-night kind must be wiped out. Consumers' credit must be placed on a sound banking basis. The first essential is that the merchant who sells on the instalment plan must be accountable for the buyers' debt.

"Bankers help to protect producers against themselves; against using too great credit," said Mr. Raskob. "They help to protect distributors against themselves."

EDITORIAL NOTES

LONDONDERRY, N.S., sold its jail at auction and got $35. A shoemaker bought it. It will now save a new kind of soles.

WITH C.P.R. planning a capital increase of $75,000,000, we have evidence that the soundest Canadians expect big growth in the next few years.

Some Management Problems in Investment Trust Field

Ninth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, A. E. Ames & Co., Toronto. Copyright, 1927.

Immediately upon the formation of an investment trust, the management will be confronted with the many problems relating to the handling of their investments; the working out of policies relating to the administration of the investment portfolio and with the study of the methods and practices to be adopted in regard to the accounting system.

As we have seen, the investment trust derives its resources for investment from the sale of its own securities, such as its bonds, preferred and common stocks or other securities. With the proceeds of the sale of these, the trust gradually accumulates its list of securities. As previously pointed out, there are radical differences between the investment trust and the financial trust which will become more apparent at this stage as some of the essential differences in the sources of revenues, the investments considered and likewise the methods of handling these as well as the accounting system in this connection will be briefly dealt with.

Investment Trust's Income

The sources of income of the investment trust are, in the main, three, as follows:

PRIMARY

A—Interest from bonds or debentures.

B—Dividends from stocks.

SECONDARY OR INCIDENTAL

C—Appreciation or profits realized on sale of securities.

If it is to follow the time tried and firmly established policies of investment which have been evolved in England, Scotland and the United States, the investment trust will regard as of primary importance the revenues derived from A and B, or, in other words, the interest and dividends received; while of secondary or incidental importance, will be the revenues or profits from the sale of securities which have shown appreciation.

Emphasis Is On Investment

The investment trust endeavors to select securities which have behind them a traditional record of interest or dividend payments and which, at the same time, are selling at prices which indicate that they are at the time undervalued. These must also conform to the restrictions as to investments adopted by the trust at the time of its formation. By following such a policy, steady revenues from dividends and interest are fairly assured while there are certain probabilities of appreciation which are almost inevitable if securities of an undervalued nature have been obtained after giving due weight to the economic conditions and the outlook. In the operation of an investment trust, the whole emphasis is placed on investment.

Securities are picked for their strength, for their dividend or interest records and for their outlook. The securities of the best managed, well financed companies and organizations with standard or fundamental products, readily find a place in the lists of investment trusts. Such companies tend to grow with the development of the countries in which they are situated. In Canada, an investment trust would very naturally include securities of Montreal Light, Heat & Power, Shawinigan, Canadian Pacific Railway, Canada Cement, Ogilvie Milling, Canada Bread, Steel Co. of Canada, and many others of a similar nature.

Financing Trust's Revenues

The financial "trust" or financing company derives its revenues in the main from:

PRIMARY

A—Profits on sale of securities at advanced prices.

SECONDARY OR INCIDENTAL

B—Interest.

C—Dividends.

These are much the same sources of revenues as in connection with the revenues of investment trusts, but the whole emphasis in the source of profits has changed in fundamental particulars. It is the primary endeavor to secure profits from appreciation and it is only of secondary importance to secure revenues from interest or dividends. The latter sources of revenue in the case of the financial trust are purely incidental. In other words, the chief endeavor of a financial "trust" is to secure speculative profits.

More Speculative in Nature

The financial "trust" or company of necessity goes farther afield in its selection of securities. It does not necessarily select securities with interest or dividend records. Its results are naturally quite erratic; sometimes spectacular and unfortunately sometimes disappointing. This type of organization does not have any great appeal to the investor. Its very nature and functions are highly speculative. Its chief appeal is to those with speculative tendencies and usually to those who can fairly well afford to speculate.

As these differences between investment trusts and financial "trusts" are so vital, the methods of accounting and business administration are radically different in the two types of organization. In Great Britain, legal doctrine and business practice treat the investment trust as dealing in investments and the financial corporations as dealing in money. There are many legal cases in Great Britain which fairly clearly define the different methods of procedure in handling affairs of each type of organization. From these quite different treatments have arisen in the matter of taxation.

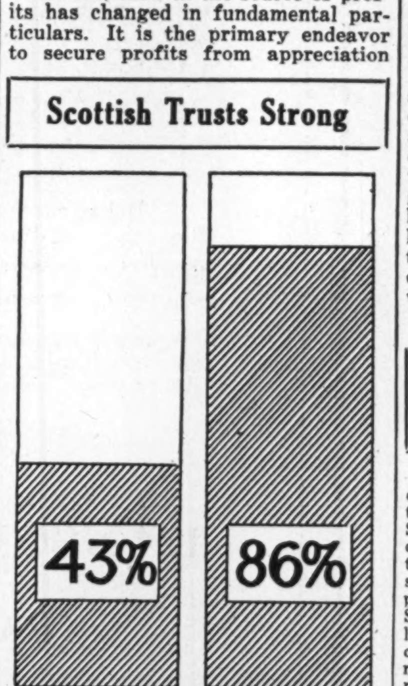
Fixed and Circulating Capital

Courts now consider the investments of the investment trust as its "fixed capital," while its income from dividends and interest is its "circulating capital" from which its profits are derived. The investment trust, according to its articles of association, as these are interpreted by court "are so framed as to authorize the sinking of capital in stocks, funds, securities and payment of dividends out of whatever interest, dividends or other income from such stocks, funds and securities held." It is not a company "formed for the purpose of buying stocks, shares and the like to sell again," and its business is not primarily "to make profits on such resale."

The investments held by the financial company are on the contrary its "circulating capital." In fixing its dividend, the investment trust is not compelled to allow for depreciation in the value of its holdings, but in cal-

(Continued on page 13)

Scottish Trusts Strong



This chart shows the ratio of "visible" reserves to total outstanding ordinary shares in English and Scottish investment trusts. The chart illustrates to what a degree the Scottish trusts have gone in building up reserves.

POST-Scripts

BLACK edged stationery is considered good form for personal use but among the Japanese black edged stationery comes into business use when the subject of the mourning is a lately fallen Emperor.

The Financial Post received a letter the other day from His Imperial Japanese Majesty's Consulate at Vancouver. The letterhead and the envelope were both edged in black, in memory of the lately deceased Emperor of the cherry blossom isles.

IF THE United States carries out the plan now suggested of applying the quota law against Canadians, the embarrassments of getting into the States may be increased. Canadian-born individuals will have to answer as many fool questions as are now put up to Canadian citizens born in Great Britain or another country.

One reverend Canadian gentleman, who was born in Ireland, had a verbal tussle with an American immigration officer recently who wanted exact assurance that the Canadian, who was going to the States for a few days, had actually lived in Canada over the five year period necessary to make him, in the eyes of the United States, a Canadian. He assured the American officer that he had lived in Canada fifty years but his word was doubted. Finally a happy inspiration seized him. He pulled out his gold watch and showed the officer, by the engraving on the back, that it had been presented to him in 1877 by the congregation of the Methodist church in a small Ontario town which was named.

He got by.

In Common Fairness

An Editorial in the Wall Street Journal.

For the larger part of a century this country owes much of its development to British capital. While the United States government was not a borrower, our railroads were constructed with that invaluable aid. Even in 1901 a substantial part of the U.S. Steel Corporation's capital was raised in London. Some people think it patriotic to belittle this great fact of history. They complain of abuse of America by the newspapers of nations which owe us money. During all that time it was "good politics" to abuse Great Britain. The Irish and German votes were considered more important.

When we are demanding justice and a generous construction by our foreign neighbors of international relations conducted in good faith, we must see that our own record is clear. Here is a little poisonous nonsense from an undergraduate publication known as the Yale News. It is reported in the New York Tribune:

"The United States is far from collecting the full amounts specified in the original debt contracts, The News says. With different rates of interest spread over many years, Great Britain is paying 82 per cent. of the true total of her debt, France 50 per cent., while Italy escapes with 26 per cent."

Here is a writer ignorant of the fact that Great Britain voluntarily, without pleading poverty or offering any of the arguments recently put forward by college professors in this country, stepped up to the desk and settled in full. On the probable value of money and the condition of British treasury credit for 62 years from the date of settlement, the terms were not 82 per cent. The settlement was at par and for interest rates of 3½ to 3 per cent.

Even the latter rate may be higher than British treasury credit in ten years' time. A quarter of a century ago British consols on a 2¾ per cent. basis sold at 113⅞. Only by estimating interest rates for 62 years at the figure prevailing when the debt settlement was made could Great Britain be said to have received any concession, other than the necessary time, on her settlement of the American debt.

No wonder allegations of this kind irritate the Britisher all over the world, and not least our Canadian neighbors, who warmly resent the lumping of Great Britain with our other creditors. The difference between their position and Britain's is not one of degree but one of kind. A single irresponsible English newspaper makes attacks upon "Uncle Shylock." That attracts outraged astonishment here, although all the other English newspapers deplored the attack, and finally squelched it. But in the days when we owed the Britisher money we called him many worse things than "Uncle Shylock" if German votes were wobbling in Milwaukee, or the Irish voters needed stimulating in New York City or Boston.

Truly that represented a poor kind of patriotism. We cannot exact good manners from our creditors, but we can deserve them.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

A Woman's Investment

Would you be good enough to advise me of two or three good bonds for a lady, who depends on the interest in part for her income?

We would recommend as an investment for a woman the Canada Steamship Lines series A, 1941; Lake St. John Power and Paper Co., Ltd., series A, 1947.

The other bonds mentioned in your letter are also sound, but we believe that the above mentioned securities are the best of those mentioned.

Seagram's stock, now selling around 23, is considered a good hold for a higher price.

Lake St. John Power

Please write me your opinion of the 6½ per cent. debentures of the Lake St. John Power and Paper Co., described in the attached circular as an investment of say $5,000 at 98.

The Lake St. John Power and Paper Company 6 per cent. 15 year mortgage debentures, series A, are a sound investment. Although this company is not yet a producer, its holdings of timber limits in the Lake St. John district in Northern Quebec, as well as a very favorable contract for the disposal of its newsprint output to an American newspaper syndicate provides sufficient security to assure the safety of principal and regular payment of interest requirements.

Rosedale Housing

Will you kindly let me have your opinion of the Rosedale Housing Co. sinking fund gold bonds?

Rosedale Housing Company 6½ per cent. 20 year Sinking Fund Participating Gold Bonds are being offered by W.N. McEachern and Sons Ltd. at par and accrued interest to yield 6½ per cent. These bonds are secured by a floating charge on all the assets of the company acquired during the life of the bonds, but they are not necessarily first mortgage bonds as the mortgage deed of trust permits the company to place first mortgages on the properties if the company deems it advisable to do so.

These bonds are considered a fair investment.

Investment Trust

I would like your opinion on "The Economic Investment Trust," a Canadian company that has been recently organized. Are these bonds sound as an investment?

The Economic Investment Trust is an organization recently formed. The organizers and directors of this trust have a good reputation. Similar institutions in England and Scotland have been highly successful, but in the United States the investment trust has been organized along the wrong lines and generally speaking have been unsuccessful. It is, of course, impossible to forecast what success the Canadian Trust will have and on this account you have to be guided largely by your faith in the management.

Canadian Pacific

I am considering purchasing some shares of the Canadian Pacific Railway. Do you think that it is too high? More shares are to be issued; if I buy now would I be entitled to the new stock issue? I have some bonds that pay 5 per cent; I thought I might sell these and buy C.P.R. which, with the new stock which is to be issued, would bring me in a much better yield. What is your opinion on all this?

As yet, no definite announcement has been made regarding the expected issue of C.P.R. stock. There seems little doubt, though, that during the current year the company will issue valuable stock rights to the new shareholders.

If you purchased the stock at the present time, you would naturally be entitled to purchase the new issue of stock, if, as, and when issued.

Whether you should sell your bonds and buy C.P.R. stock depends entirely on your investment programme. You should have, of course, a solid foundation of gilt-edge bonds before you commence purchasing stock.

Whether or not C.P.R. is selling high is entirely a matter of comparison. It certainly is not selling out of line with other similar railroad securities in the United States.

Whether or not the stock will sell higher within the next year or so, we do not know, but, if Canada makes progress—and we believe it should—there seems little doubt that the C.P.R. will make progress, too. It seems to us to be an excellent investment stock.

Eastern Dairies

Let me know your views of Eastern Dairies common, please, as regards safety of investment, earning power and dividends.

If you purchase the common shares of the Eastern Dairies, you need not anticipate dividend payments at the earliest, until two years hence.

The common stock of the Eastern Dairies is a business man's speculation which we believe, over a term of years, will show a satisfactory appreciation in value. However, you must remember that the stock is somewhat speculative. The company is well managed though, and is expanding rapidly and therefore, we think that the issue looks like an attractive speculation. You can remember, of course, that the company is engaged in a very stable line of business.

National Debenture Bonds

Will you kindly give me your opinion of an investment in The National Debenture Corporation Sinking Fund Gold Bonds for a man on a moderate salary who could afford to invest in the neighborhood of one hundred dollars per month?

We do not recommend the bonds of the National Debenture Corp. for a man in your position. The corporation has only been in operation for a few months and the proportion of surplus security provided is not as much as one should have in an investment trust security.

We would advise you to put your money into a high-grade public utility bond which has a number of years of good earnings back of it and which will give you an interest yield as high as that of the National Debenture Corp. bonds.

Eight Common Stocks

Would you give me the names of five stocks under $70 that have a chance to gain in price?

As you are a business man not dependent on income from investments for your living, you can afford to wait for dividends. It is a fairly safe rule to buy the common stocks of companies which, over a period of years, have been showing increased profits, especially at a time when the industry as a whole is growing with the country and can reasonably expect or is experiencing prosperity.

Following is a list of eight common stocks at or below the price you mention. We believe that if you buy five or more of these stocks, the result would be to your benefit.

Howard Smith, at	$70
Page Hersey, at	65
Christie Brown & Co., at	41
Barcelona, at	41
Can. Steamships at	40
Laura Secord, at	28
Cosmos Imperial, at	21
International Nickel, at	41

Only three of these are paying dividends at the moment, so that if you want an immediate return, we would suggest that you buy these along with any two of the non-dividend payers.

B. A. Oil

I would be glad to have your opinion through the columns of The Financial Post of the following stocks on the market prices for a hold with the prospect of enhancement in value and dividends: British American Oil (new), Kelvinator Corp. common, Industrial Alcohol.

Reduction in the price of crude oil possibly will affect adversely the earnings of the oil companies, including British American Oil. However, it is not probable that the earnings will drop to such an extent that dividends must be reduced. In fact, there may be continuous increases in the dividend rates.

Kelvinator is one of the two strong companies in the electric refrigerator field, a field which seems certain to develop rapidly in the next few years. There is a somewhat large amount of common stock outstanding for Kelvinator Company of Canada, but there may be, nevertheless, some increase in value, as the company not only has the Canadian field but all the foreign fields excepting the United States for its activities.

Canadian Industrial Alcohol is a company which derives a large part of its revenue from industrial alcohol, so that the liquor laws of the country do not affect its position materially. Thus, it is probable that this company will continue to make progress even though manufacturers of beverages find the field somewhat crowded.

Spanish River

I would be obliged if you would advise me of the standing of the Spanish River Pulp and Paper Mills and if you consider the 7 per cent. participating preferred stock to be a good investment. I understand that the company's earnings have been good and that it has assets of around $300 per share behind the stock and that the preferred participates equally with the common after 7 per cent. has been paid on the latter. I have some customers interested in this stock and would like you to confirm my information and let me know if you consider the company to be well managed.

The Spanish River Pulp and Paper Mills is generally regarded as being one of the most attractive newsprint investments in Canada. And we consider the 7 per cent. cumulative participating preferred shares a safe investment.

The company's last annual report showed net earnings of $2,195,902 applicable to preferred dividends of $603,365. You will see therefore that the company earns its preferred dividend by a wide margin.

The preferred will share equally with the common in any further dividend increases. The company is very ably managed. Deducting the reserve for depreciation from the company's assets, it has between $200 and $300 per share in assets behind the stock. During the current year, we anticipate that the earnings of the newsprint companies will decline somewhat due to the hesitancy in the newsprint market. Therefore, some of the newsprint stocks, or perhaps most of them, may show a little further decline. However, if your customers are holding Spanish River preferred over a term of years, we believe that eventually they should obtain a material market appreciation in their holdings.

When Women Invest

Only Pin Money Should Go Into Anything But Government Bonds—Some Suggestions to Minimize Chances of Loss from Less Conservative Ventures

A REGULAR FEATURE

An Ottawa woman writes to ask the opinion of The Financial Post of her stock-holdings, which consist of Durant of Canada, Dominion Alloy Steel and two mining stocks which as yet are merely prospects.

The class of holdings of this woman induces a discussion of the character of enterprises into which women often will venture in disregard of all the sound, but man-made rules for investments by and for women. Perhaps women subconsciously resent the fact that men have pronounced special rules governing women's investment and, therefore, are inclined to take flyers whenever a glib salesman comes around from an organization which is interested in the marketing of highly speculative stocks.

Recall Old Proverb

Rules for women's investment which eliminate, so far as possible, the speculative element, have been created because the majority of women with money to invest are dependent on the income from their investments to keep the wolf from the door. With such women, safety of the principal is paramount. Interest return should be the secondary consideration in all investment.

Women who excuse their speculative ventures because they were not getting enough income from government bonds to make ends meet, too often have later occasion to recall the old proverb that half a loaf is better than no bread.

But there are women who like to gamble as well as men folk and women who will gamble despite warnings from seemingly unimaginative bank managers, unsympathetic executors and trustees. and despite printed eulogies of the virtues of government bonds for women. So long as this gambling is done with pin money—money which is not a vital part of the principal or income—the objection is no so serious, although the gambling might take the form of a wager on the racetracks and give the bettor a higher chance of return and quicker action than when funds are turned over to high-pressure salesmen in return for ornate stock certificates behind which there is little equity and even less chance of return.

Women Easy Prey

High-pressure salesmen find women easier prey than men. The reasons for this need not be dealt with. But the fact should cause women to view with suspicion every offering where it is apparent that the majority of the salesmen's prospects are women. Another type of proposition which almost invariably is worthless or nearly worthless is the one where the prospects are told that they must get in at once because the price goes up immediately. These offers usually are made to stampede the investor into taking something at a price much higher than the market. Not long ago, for instance, country investors received telegrams offering Algoma Steel Bonds at the "special price" of $200. At the moment, the actual market worth of these bonds was $148.75. A very succesful private investor says he has made it a rule never to enter into an investment which was in danger of running away from him. In other words, an investment which will not bear adequate scrutiny and thorough enquiry is very likely faulty in some important particular.

Blandishments of high-pressure salesmen frequently cause women to invest in enterprises which the ordinary business man would scorn or which, if the proposition were seriously placed before him, would tempt him to throw the salesman out of his office. The lure of higher return than from a government bond has led thousands of women to put their money into enterprises which, at their best, have remote chances of succeeding and which, at their worst, are dishonest to the point of cruelty.

Find Middle Ground

There seems no middle ground for woman's investment. She either has her capital tied up in gilt-edge securities which give her a comparatively small return or she is induced to buy into Durant, which is still only a good speculation after five years, or Dominion Alloy Steel, which has less chance of return than Durant.

Perhaps there should be a middle ground for investment by women who have money to invest independent of the income required to buy the day-by-day necessaries of life.

If women will wander in their investment from the haven of gilt-edge securities, they should not wander farther than the preferred stocks of long-established companies with records of uninterrupted dividends, or from the common stocks of similarly long-established companies with either no bonds or only a small amount of preferred stock having prior claims on assets and earnings. It is essential to select companies which are established. The chance of return, and the chance of increasing return, is undoubtedly greater in a company which is well managed and which is growing than in a company which is not yet established.

Diversify for Safety

The principle of diversification should not be overlooked. If any investor, man or woman, owns a few shares of stock in a dozen established companies in a dozen different and essential lines of industry, it will require national disaster, or at least the most prolonged depression, to affect adversely, the whole or a major part of his or her investment, and then the adverse affects are not likely to be permanent.

Salesmen are apt to persuade women to forget the principle of diversification of investment. The Financial Post recently discussed in its editorial columns the instance of a woman having turned over $11,000 of government bonds in return for the preferred stock of a specialty company which may or may not do well over a term of years. This woman would have laughed at the idea of taking her $11,000 to a racetrack and betting on a horse recommended by a smart young man who had been a stranger to her a few days previously. But her chances of winning on the horse race are nearly as good as winning in the company under discussion.

Durant of Canada

Readers of The Financial Post know that the position of Durant of Canada has been steadily improving under its present management and the possibility of early dividends on the stock is being discussed. All this is gratifying to shareholders. But the company will have to pay handsomely in dividends for a number of years before the shareholders are compensated adequately for the four or five or six years of waiting for the company to get established as an earner and to compensate for the 50 per cent. premium which most shareholders paid for the privilege of participating in the sorrows and joys of this motor company.

It is much to the credit of the present management that Durant of Canada has made so much progress that the disappointed shareholders are renewing their hopes. But investment in the stock of this company was not, at the time it was made and at the price it was offered, more than a speculation, and was not particularly suitable for a business man. The majority of sales were made in small towns and many thousands of the purchasers were women. Moreover, many of them paid $5 extra for each $10 share for the dubious privilege of exchanging at the ratio of three-for-one into the shares of the Durant Co. of Delaware. It has been apparent for some time that the Canadian company by itself was a better venture than the Delaware holding company and the pyramiding of Durant organizations at the time of the original issues indicated that this would be the history.

Dominion Alloy Steel

Dominion Alloy Steel publishes no balance sheet. From its name one would gather that it is a steel company with large operations. Up to the present, however, it is nothing but a company which galvanizes sheet metal bought from other steel companies. It is intended this summer, according to the president, to spend $225,000 to instal a so-called black-sheet mill, but the company still will be dependent on United States steel concerns for new materials.

The president of Dominion Alloy Steel is W. B. Boyd, an engineer with considerable technical ability and reputation. He is earnest and hard-working and confident of the future of the company. But the company has not been earning dividends on the preferred and the answers to specific questions as to the balance sheet are so vague as to be unsatisfactory and wholly inadequate for anyone who may be contemplating investment. The venture is one of the poorest speculations that has recently been on the market.

What to buy with April Funds

Our monthly investment bulletin offers a well-balanced list of conservative securities selected to afford such diversification as will meet the most exacting requirements.

A detailed explanation is given of each offering, enabling the investor to make an intelligent selection.

A copy will be gladly sent on request.

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FOLKS and Finance

GEORGE H. SMITH, general manager of the Canada Permanent Mortgage Corporation, is not without a sense of humor. He is president of the Dominion Mortgage and Investments Association and, as such, presided at the association's annual meeting in Montreal this week. It is only a few months since the association met in Edmonton and as a result some of the committees had nothing to report. One was the rural credits committee, which could add nothing new to what it had to say last fall. When the committee's report was called for, the chairman, C. M. Bowman, stood up and said there was nothing to say.

Mr. Smith was equal to the occasion. Very drily he asked, "Will someone move the adoption of the report?"

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Bishop Realty Corporation

(DENTAL BUILDING, MONTREAL)

7% First Mortgage (Leasehold) 20-Year Sinking Fund Gold Bonds
Denominations: $1,000, $500, $100.

Dated February 1st, 1927. Maturing February 1st, 1947.

The Dental Building is being erected at the south-east corner of St. Catherine and Bishop Streets in the City of Montreal. The building will be fire-proof throughout, having stores on the ground floor, and the three upper floors will be specially equipped for the use of Dentists and Doctors.

The leasehold premises, when the building is finished, have been valued by Ernest Pitt & Company at $720,239, so that the bond issue represents only 42% of that appraisal.

The Trust Deed securing this issue provides for a Sinking Fund that will retire all Bonds before maturity.

The net earnings, after providing for Operating Expenses, Ground Rent and Sinking Fund, are estimated at $39,000, or practically twice the amount necessary to meet the bond interest.

PRICE: Par and accrued interest, yielding 7%

Write for Special Descriptive Circular.

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217 Bay Street — Toronto

News of Investment Markets

PROVINCIAL PAPER NEW STOCK ISSUE IS EXPECTED SOON

Dominion Securities Will Announce Capital Setup Within Few Days

EARNINGS SHOW GAIN

History of Company Has Been One of Steady Expansion; Present Management May Stay

Investors will be given an opportunity within the next few days to subscribe for new stock in Provincial Paper Mills, which was acquired last week by Dominion Securities Corp. for approximately $6,500,000. The price paid for the common was $135 and the preferred is redeemable at $107.

The nature of the new issue has not been definitely determined, it was stated at the offices of Dominion Securities, but it is expected that there will be public announcement early next week, if not before. There is no information as to whether the issue is to be preferred stock, with a bonus of no-par common, or if there will be only one class of stock put out at a price. The modern trend to simplification of financial structures would suggest that this issue will be of no-par common stock only.

Minority in Deal

The deal was arranged between Dominion Securities and I. H. Weldon, president of Provincial Paper, T. A. Weldon, and various large stockholders who live in the vicinity of Kalamazoo, Mich., who have been interested in the property since 1913. Minority shareholders have been invited to sell their stock to Dominion Securities on the same basis, $135 the share, as was paid the larger interests. Minority shareholders have received a circular letter from the directors stating that the offer is an advantageous one from the viewpoint of the shareholders.

The present capital structure of Provincial Paper Mills, under the charter obtained in 1920, is as follows:

Authorized common, $7,600,000; common issued, $3,500,000, of $100 par value.

Authorized preferred, $2,400,000; preferred issued, $1,700,000. Par value $100, 7 per cent. cumulative, redeemable at $107 on 60 days' notice.

Bonds authorized, $3,000,000: issued, $1,500,000; redeemed, $113,000; outstanding $1,387,000. Twenty-year 6 per cent. sinking fund, gold coupon certificates in denominations of $1,000. Due 1940.

Operates Five Plants

As will be observed from the accompanying statistics, Provincial Paper Mills has been highly successful. I. H. Weldon, T. A. Weldon and S. F. Duncan, have been active in the management of the property for many years and, so far as has been disclosed, the change in ownership will not involve a change in management, or at least in policy.

Provincial Paper Mills owns the St. Lawrence mill at Milles Roche, Ont., which manufactures book papers; the Montrose mill at Thorold, Ont., which manufactures bond and writing papers; the Barber Paper Mill at Georgetown, Ont., the product of which is used principally in the coating mill, and the pulp mill at Port Arthur, Ont., which is known as the Port Arthur division and which formerly was the Port Arthur Pulp & Paper Co.

The company also owns and operates Provincial Paper Sales, Ltd., Winnipeg. This subsidiary formerly was the John Martin Paper Co. which for many years has been successful as wholesalers of paper in the Canadian Northwest.

While Provincial Paper Mills is a manufacture of newsprint, the bulk of the business is still in the high quality writing and printing papers. In the event of any serious surplus of newsprint, it is believed that the earnings of Provincial Paper Mills, owing to its diversity of products, would remain reasonably satisfactory, although it is pointed out that serious drops in the prices of newsprint would have a sympathetic effect on the prices of finer grades of paper.

Market Record

Year	Common High	Common Low	Preferred High	Preferred Low
1916	57	56	..	..
1917	51¾	50	81	78
1918	49	46	78	78
1919	85	51	90	85
1920	130½	81	88	87
1921	102	87¾	87¾	82
1922	88½	80	95	80
1923	92½	83	98	92
1924	100	84	97½	90
1925	111¼	88¾	103½	95
1926	117	100	107	100
1927*	130	115	107	105¼

*—To March 29.

Dividend Record

Dividends on preferred stock of present and predecessor companies regularly paid quarterly. On common stock of the former company 4 per cent. per annum was paid in 1917, 1918 anl 1919; Jan. and April, 1920, 1½ per cent. each; July, 1920, present company, to date, 1½ per cent. quarterly. Extra dividends of 1 per cent. each were paid Oct., 1920, Jan. and April, 1921, Jan., 1923 and Jan., 1926.

Officers and Directors

Officers.—I. H. Weldon, pres.; T. A. Weldon, vice-pres.; S. F. Duncan, treas.; W. S. Barber, sec'y.

Directors.—Above officers and Alex. Fasken, S. B. Monroe, A. B. Connable, C. S. Campbell, Sir Chas. Gordon, K.C.B.E., R. S. Waldie.

PROFIT AND LOSS

	1921	1922	1923	1924	1925	1926
Net profits	$761,395	$763,961	$503,322	$886,768	$1,060,304	$1,224,481
Interest	33,550	55,787	92,639	97,963	83,905	81,590
Depreciation	150,000	150,000	230,000	280,000	300,000	300,000
Other deduct.	60,000	70,000	20,000	71,048	90,009	112,400
Pref. divids.	119,000	119,000	119,000	119,000	119,000	119,000
Com. divids.	245,000	245,000	210,000	210,000	245,000	245,000
Surplus	$153,845	$124,174	x$168,317	$108,757	$222,300	$366,491
% earned common	11.39	8.32	10.8	9.10	13.35	17.4

xDeficit.

BREWERY SHARES TO BE SOLD AT DOLLAR

Reinhardt Company Seeks to Have Stock Held by Small Investors

Investors are to have an opportunity to buy brewery stock at $1 the share. The Reinhardt brewery, Dundas Street, near the Don River, Toronto, has been bought by a syndicate which will organize a company with 500,000 shares of no-par value. The low price of the initial offering is to enable the company to gain a wide distribution of its stock.

John S. G. Cornnell will be general manager of the property, which is said to be one of the best-equipped breweries in Ontario. There is approximately $100,000 worth of beer and other malt liquors on hand at present. The capacity of the brewery is 300 barrels per day.

Names of directors other than Mr. Cornnell have not been announced, but it is said that they will be experienced business men with knowledge of the brewery business. Guardian Investments, Ltd., Toronto, has underwritten the issue of stock.

Bishop Realty Corpn. Bonds Offered by W. A. Mackenzie

Bishop Realty Corporation, 7 per cent. mortgage bonds, to the amount of $300,000 are being offered this week by W. A. Mackenzie & Co. In the past two or three years this type of mortgage has grown to be popular with investors, both on account of the high yield and the type of security back of it.

The present issue is secured by a first mortgage (leasehold) on a four-storey building, which is being erected on the main retail thoroughfare of Montreal. Six stores will occupy the ground floor of the building, and on upper three floors 75 offices, specially equipped for the use of dentists and doctors. At the present time in Montreal, there is no building specially equipped for dentists and there is said to be a great demand for such space.

Details of the issue are as follows:

$300,000
Bishop Realty Corporation.
7% First Mortgage (leasehold) Gold Bonds. Dated February 1, 1927 Due February 1, 1947.

Redemption—In whole or in part on 30 days' notice at 105 up to and including February 1, 1932; at 104 up to and including February 1, 1937; at 103 up to and including February 1, 1942; and thereafter at 102 and accrued interest.

Property—Leased for 30 years and 2 months from March 1, 1927, property at south-east corner of Bishop and St. Catherines St., Montreal. Property has superficial area of 11,443 sq. ft.

Valuation—Value of completed building and leasehold estimated at $720,239; 42 per cent. of present bond issue.

Security—Completion of building by May 1, 1927, has been guaranteed by surety bond assigned to Trust company.

Sinking Fund—Start on February 1, 1930, and will amount to $9,000 per annum, plus an amount equal to interest at the rate of 7 per cent. per annum on all bonds previously acquired or redeemed or which should have been redeemed or acquired for sinking fund purposes. This sinking fund will retire all the bonds before maturity.

Insurance—Fire insurance to the full value of the property. Use and occupancy insurance will also be carried.

Earnings—Gross income approximately $94,000. After allowing 10 per cent. for vacancies and providing for operating expenses, ground rent, sinking fund, etc., of $55,000. Net income is placed at $39,000, or almost twice the amount required for bond interest.

Offered—By W. A. Mackenzie & Co., at 100 and accrued interest to yield 7 per cent.

Wm. A. Rogers' Dividend

Shareholders of W. A. Rogers, Ltd., heard encouraging reports on this company's business at yesterday's annual meeting. S. J. Moore, president of the company, in his report referred to the fact that the common stock now comes in line for dividend consideration, following the completion of payments of the arrears. The last payment of the arrears is being made together with the current dividend payable on April 1. Dividends on the common now depend entirely upon the company's future earnings. The management is looking for a better year than was experienced in 1926.

CARPET BOND ISSUE IS OVER SUBSCRIBED

$1,000,000 Issue Sold on 6.3 Per cent. Yield Basis

MONTREAL.—An investment house syndicate is offering a $1,000,000 bond issue of the Guelph Carpet and Worsted Spinning Mills, Limited. The company has been in operation since 1883 and has steadily progressed to the point where its spinning mill is the largest, and its carpet weaving mill the second largest in Canada. Its products include worsted yarns of all types as well as Brussels, Wilton, Velvet, Tapestry and auto carpets. Two mills are operated in Guelph, Ontario, where its plants are up-to-date in every respect. The issue has been over-subscribed. The particulars of the issue follow:

$1,000,000, the Guelph Carpet and Worsted Spinning Mills, Limited

6 per cent., first mortgage, collateral trust, twenty-year sinking fund gold bonds.

Dated March 1, 1927, due March 1, 1947.

The Company: Operates the largest spinning mill and the second largest carpet mill in Canada in Guelph, Ontario. Purchases the raw wool and produces finished products such as yarn, carpets and tapestries.

Capitalization:

First mtge. 6% bonds due 1947..$1,000,000
Com. shares(without par value) 15,000

Security: Secured by a first closed mortgage on the entire fixed property and plant now owned or hereafter to be acquired. In addition there are pledged certain shares of stock in associated companies which return substantial dividends to the company.

Assets: Assets available for this issue amount to $2,472 for each $1,000 bond outstanding.

Earnings: Net earnings, before depreciation or Dominion income tax, applicable to this issue have averaged for the past three and one half years four and one half times the interest requirement of these bonds.

Sinking fund: Commences March 1, 1928, and will redeem the entire issue by maturity.

Offered: March, 1927, at 96½ to yield over 6.3 per cent. by Hanson Brothers, R. A. Daly and Company and the Royal Securities Corporation.

Small Block of Rome Bond Issue Offered in Canada

A small block of the City of Rome, 6½ per cent. bonds, is being offered this week by the Dominion Securities Corporation. This is part of a $30,000,000 issue taken up by J. P. Morgan & Co. and which is being offered at 91, to yield 7¼ per cent.

It is said that the New York offering was over-subscribed within a few hours after the books were opened.

Gatineau Power Company
5% First Mortgage Gold Bonds
Due June 1, 1956
Interest payable June 1 and December 1
Coupon Bonds in $500 and $1,000 Denominations

The Gatineau Power Company controls water power sites with an aggregate potential capacity in excess of 700,000 h.p. Contracts for the sale of power have already been executed with the Hydro-Electric Power Commission of Ontario, The Canadian International Paper Company and the Canada Cement Company. Estimated net earnings, upon the completion of the Company's four power plants will be almost three times annual interest requirements on the above issue of bonds, the earnings from the Ontario Hydro-Electric Power Commission contract alone being over 1.8 times these interest charges. We recommend these bonds as a sound and attractive investment. Circular upon request.

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Two Sound City Real Estate Investments

Montreal's growth as a tourist centre, and the increase in the number of its motor car owners, are features of the city's development.

Two projects that prosper directly from these developments are the La Salle, an apartment-hotel in the heart of the shopping, hotel and theatre district, meeting the needs of both city people and tourists, and the Automobile Sales Building, also in the better class shopping district, rented largely to motor concerns.

It is estimated revenue from both buildings will be sufficient to meet bond interest requirements more than twice over, which would provide a satisfactory return on the common stocks. Bonds of both companies carry a bonus of common stock. We offer:

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QUEBEC PULP TO BUILD NEW MILL; ISSUES REPORT

Earns Over $1 a Share on Preferred in Initial Period

From Our Own Correspondent.

MONTREAL.—The first annual report of the Quebec Pulp and Paper Mills covers the initial nine and a half months period of the new company's operations. In view of the unsatisfactory market for groundwood pulp and difficulties incidental to the reorganization of the Saguenay Pulp and Power and the Chicoutimi Pulp companies into the present organization the report is of a satisfactory character.

The following figures show the distribution of the income over the nine month period and the satisfactory working capital position which the company occupied at the conclusion of its first fiscal year:

Pulp sales	$2,467,061
Selling Ex.	351,667
Costs	1,631,462
Gross profit	$ 483,932
Other revenue	90,134
	$ 574,066
Administration Ex.	112,160
Profits	$ 461,906
Bond int.	22,237
Bank interest	18,696
Water charges	140,117
Depreciation	146,880
Depletion	51,872
	$ 82,104
Res. for income tax	6,488
Surplus	75,616
Current assets	$2,137,069
Current liabilities	445,965
Working capital	$1,690,104

Position of Surplus Account

In the balance sheet the surplus account is made up of the $75,616 seen in the foregoing income figures, plus a profit on assets sold of $12,997, and rebates of insurance and surplus reserves of Saguenay Light and Power Co. of $422, or $13,419 in all, making a total of $89,036. From this there was deducted premium on bonds of La Cie des Eaux et d'Electricite de Chicoutimi, redeemed, $300, leaving consolidated surplus at the end of 1926 of $88,736.

The earnings during the period under review amounted to more than $1 per share on the 69,066 shares of preferred stock outstanding, but satisfactory amounts were deducted from the income account for depreciation and depletion.

In the balance sheet the total assets now stand at $16,549,893, in which the fixed assets, less reserve for depreciation of $339,156, amount to $14,481,630. The company's reserves, plus surplus accounts, total some $1,650,000.

In his remarks to the shareholders, A. Stewart McNichols, the president, says in part:

"After a careful survey of conditions, your directors are convinced that the interest of the company would best be served by proceeding with the erection of a paper mill. However, this cannot be done until additional timber limits have been secured regarding which negotiations are now being carried on with the Quebec government.

"Your directors consider it their duty to state that, with the continuance of present market conditions for mechanical pulp, and until the company can improve its earning power through the manufacturing of paper, the prospects for the distribution of dividends cannot be considered as encouraging."

This Week's Bond Sales

City of Saskatoon

An issue of $256,500 City of Saskatoon, 5 per cent., 10, 15, 20 and 30 year debentures has been awarded to A. E. Ames & Co. on a bid of 99.41. The bids:

A. E. Ames & Co.	99.41
Dominion Securities Corp.	99.11
Wood, Gundy & Co.	98.81
Fry, Mills, Spence & Co.	98.39

Village of Humberstone

The Imperial Bank, through its bond department, purchased an issue of $175,636, Village of Humberstone, 5 per cent., 30-year instalment debentures, guaranteed by the County of Welland, at 100,438. The bids were:

Imperial Bank	100.438
Fry, Mills, Spence	100.411
Dyment, Anderson & Co.	99.98
Wood, Gundy & Co.	99.98
A. E. Ames & Co.	99.79
C. H. Burgess & Co.	99.65
Brouse, Mitchell & Co.	99.598

Town of Waterloo

The Waterloo Trust and Savings Co. were the successful tenderers for an issue of $33,323 of the Town of Waterloo. These debentures will be used for local improvement. The bonds bear 5 per cent. interest and the price obtained was par. The bids were:

Waterloo Trust and Savings	100.00
Bank of Toronto	99.90
McLeod, Young, Weir	99.65
C. H. Burgess & Co.	99.61
Royal Securities Corp.	99.59
Dyment, Anderson & Co.	99.45
Bell, Gouinlock & Co.	99.20
Wood, Gundy & Co.	98.90
Cochran, Hay & Co.	98.77

Christie-Brown Reduces Debt Another $50,000

Directors of Christie, Brown & Co., have declared the regular quarterly dividend of 30 cents a share on the common stock, payable May 1, to stock of record April 15. The regular quarterly dividend of $1.75 on the preferred was also declared payable May 1, to stock of record April 20.

It was announced that an additional $50,000 par value 6 per cent. notes had been retired. The original issue of $1,000,000 was sold to Hitt, Farwell & Co., in April, 1925, and since then $500,000 has been redeemed.

Tenders and By-laws

Apr. 4—Township of Barton—$6,194, 5½ per cent. 10-year local improvement bonds. S. G. Sims, Clerk.

Apr. 5—Toronto—$8,800,000, 4½ per cent., serial bonds, due 1928-1957. G. H. Ross, Commissioner of Finance. (See announcement on page 16).

Apr. 5—Township of Saltfleet—$80,000, 5 per cent., 20-instalment bonds.

Apr. 6—Chicoutimi, Que.—$56,000, 5 per cent. 25-year serial bonds.

Apr. 5—Maple Leaf Milling Co.—6½ per cent. bonds, series "A" to an amount sufficient to exhaust $58,000. Royal Trust Co.

Apr. 5—L'Assomption, Que. — $25,000, 5½ per cent., 20-year serial bonds. J. E. Beauchamp, sec.-treas.

April 6. School Commission of Chicoutimi, P.Q.—$56,000, 5 per cent. serial debentures. J. E. Blackburn, Sec.-Treas.

April 5. County of l'Assomption, P.Q.— $25,000, 5½ per cent., serial debentures. J. E. Beauchamp, Sec.-Treas.

April 9—Fort Frances—$80,000, 5½ per cent., 20-year serial school debentures, repayable in equal annual instalments. H. E. Marr, treas. (See announcement on page 16).

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104	105
Algoma Steel 5s, 1962	29½	30½
Alberta Pac. Grain 6s, 1946	97⅜	98
Anticosti Corp., 6½s, 1941	102	103
Bell Telephone 5s, 1955	101	105⅝
Belgo Can. Paper 6s, 1943	102	102⅝
Brandram Henderson 6s, 1936	95½	97
B. C. Pulp & Paper 6s, 1950	83	87
Brompson P. & P. 6s, 1946	99	99½
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88¾	90
Calgary Power 5s, 1940	92⅝	93¾
Canada Lt. & Pr 5s, 1949	93⅝	94½
Can. Nor. Power 6½s, 1941	100¾	101⅝
Canada Paperboard 7s, 1937	98	99
Can. Steamship 5s, 1943	98⅞	99⅝
Can. Steamship 6s, 1941	97⅞	98⅝
Can. Steel Fndry. 6s, 1936	104½	105½
Davies, Wm., 6s, 1942	93½	94¼
Dominion Iron 5s, 1939	29½	31
Dominion Power and Tr. 5s, 1932	96¾	97¾
Dominion Textile 6s, 1949	106½	108
Drummond Investment 6½s, 1938	99¼	100
Duke Price Pr. 6s, 1966	104¾	105⅝
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	104¼	100¾
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98	99
Gatineau Power 5s, 1956	96½	97
Gatineau Power 6s, 1941	99½	100
Howard Smith P. & P. 7s, 1941	103⅞	104⅝
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	89	92
Lake Superior P. & P. 6s, 1941	106¼	107½
Laurentian Pr. 6s, 1936	103	104½
Laurentide Pr. 5½s, 1946	101¼	102
Maple Leaf Mfg. 6½s, 1943	103¾	105
Maritime Tel. & Tel. 6s, 1941	103½	105
Manitoba Pr. 5½s, 1951	99	99½
Mattagami P. & P. 7s, 1949	112	116
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	99½	100
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	100¾	102
Nor. Ont. L. & P. 6s, 1946	100¾	101¾
Nor. West Utilities 7s, 1938	99	99¾
Nova Scotia Steel 5s, 1959	59	62
Nova Scotia Steel 6% Debs.	32¼	34¾
Nova Scotia Tram. 5s, 1946	91¼	93
Nova Scotia Tram 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	105	106
Ottawa Trac. 5½s, 1953	101½	102
Ottawa Riv. Pr. 6½s, 1953	102¼	103
Port Alfred P. & P. 6½s, 1943	101¾	102½
Price Bros. 6s, 1943	103¾	104⅝
Prov. Lt. Pr. 5s, 1946	100¼	101¼
Page Hersey 6s, 1946	102	103
Quebec Pr. 6s, 1953	106¾	107¾
Rio Tramway 5s, 1935	95?	95⅞
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	97½	98¼
St. Maurice Pr. 6½s, 1953	107¾	108¼
St. Maurice Valley 6s, 1945	99	100¼
Shawinigan W. & P. 6s, 1950	105	106
Simpson, Robt. 5s, 1952	95	96½
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98¾	99⅝
Spanish Rvr. P. & P. 8s, 1941	107	107¾
West Kootenay Pr. 6s, 1943	103½	104½
Ottawa Mont. Pr. 6½s, 1949	102¼	103⅛
West Pr. of Can. 5s, 1949	97	98

Some Management Problems in Investment Trust Field

(Continued from page 10)

culating profits the financial company should take a yearly account of all the capital employed in the business, allow for depreciation and losses and carry the balance to profit and loss. In practice, the investment trust never distributes as dividends "capital profits" on the sale of securities. These go to a "visible" reserve account and are also used in an invisible way to write down or write off depreciated investments. This is the universal practice in Great Britain. The accumulation of reserves in this way has been one of the greatest stabilizers of capital account and has been the greatest bulwark of the investment trust in trying times.

There are thus two types of reserves created; first, the "visible" reserve appearing in the balance sheet and, second, the "invisible" reserve created by the writing down of securities. The successful investment trust's annual valuation of securities will usually show a wide margin over the balance sheet valuation as a result of following this practice.

When the appreciation of securities has become important and at the same time reserves, both "visible" and "invisible" have become large, the directors may decide on the distribution of bonus stock and an offsetting transfer from "reserves" to "capital issued."

The Inland Revenue Department of England permits investment trusts to deduct profit on realizations from taxable income, while the financing companies must pay on their entire revenues inclusive of such profits. As reserves are invested in securities, these still further increase the earning power of the investment trust. The chairman of the Edinburgh Investment Trust in presenting a recent annual statement said that the secret of investment trust management was to avoid losses on holdings and to allow a portion of the revenue, in the form of reserve, to accumulate at compound interest. This puts concisely the reasons for the long established policy of building up the visible and invisible reserves, as universally practiced by the English and Scottish Investment trusts.

Appropriations to Reserves

Most of the English and Scottish investment trust companies, while they pay large dividends, retain a substantial portion of the net revenues, the larger part of which is appropriated to reserves. The way in which these appropriations were made in the last year for which reports are available and the position of the "visible" reserves at the present time, will be seen from the following tables. These give the records in connection with 23 of the outstanding English and 21 Scottish investment trusts.

ENGLISH INVESTMENT TRUSTS

Name of Company	Year	Net Revenue Available for Ordinary Stock	Amount Paid	Surplus for Year	"Visible" Reserves and Carry Forward	% on Ordinary Stock
1 Am. Invest. & Gen. Tr. Co. Ltd.	1924-25	£ 61,585	£ 46,500	£ 15,035	£ 389,421	77.88
2 Army & Navy Inv. Tr. Co. Ltd.	1923-24	33,208	18,600	14,608	240,896	120.45
3 Bankers' Inv. Trust Ltd.	1924-25	83,736	59,474	24,262	165,350	18.37
4 Charter Trust & Agency, Ltd.	1923-24	19,821	19,375	446	55,442	11.09
5 Foreign, Am. & Gen. I. Tr. Co.	1924-25	61,383	43,594	17,789	180,556	24.07
6 For. & Col. Inves. Tr. Co. Ltd.	1924-25	78,832	64,330	14,502	781,000	70.57
7 Gen. & Comm. Inv. Trust Ltd.	1924-25	24,004	23,250	754	131,372	43.79
8 Gen. Investors & Trustees Ltd.	1924-25	51,945	20,925	31,020	179,750	59.92
9 Govt. Stock & Other Sec. I. Co.	1924	39,598	28,675	10,923	118,860	25.70
10 Guardian Inv. Trust Co., Ltd.	1924-25	33,478	24,025	9,453	12,000	3.87
11 Indus. & Gen. Trust, Ltd.	1924-25	210,567	135,625	74,942	737,563	59.01
12 Inter. Investment Trust Ltd.	1924-25	34,548	21,700	12,848	492	.12
13 Invest. Trust Corp., Ltd.	1924-25	149,248	118,117	31,131	1,063,398	132.92
14 London & N. Y. Inv. Corp. Led.	1923-24	16,590	6,200	10,390	112,393	112.39
15 London Scottish Am. Tr. Ltd.	1923-24	47,579	38,750	8,829	331,674	66.33
16 London Trust Co., Ltd.	1924-25	63,035	46,500	16,535	167,924	34.98
17 Merc. Inv. & Gen. Tr. Co. Ltd.	1924-25	190,870	139,499	51,371	532,919	35.53
18 Merchants Trust, Ltd.	1924-25	76,031	58,609	17,422	368,593	53.61
19 Metropolitan Tr. Co. Ltd.	1924-25	71,605	54,250	17,355	605,112	151.28
20 Omnium Invest. Co. Ltd.	1924	27,343	25,714	1,629	60,018	14.47
21 Sterling Trust, Ltd.	1924	100,827	72,656	28,171	180,886	14.47
22 U. S. & South Am. In. Tr.	1924-25	53,755	38,750	15,005	99,769	19.95
23 Witan Invest. Co. Ltd.	1924-25	117,759	69,875	47,884	171,574	16.51
Summary	1924-25	1,647,297	1,174,993	472,304	6,686,962	43.96
	1923-24	1,435,209	1,054,090	381,119	6,130,511	42:12
Increase		212,088	120,903	91,185	556,451	1.84

From the table above it will be observed that the English Investment Trusts had in the aggregate net revenues available for ordinary stock of £1,647,297 from which they paid out in the form of dividends £1,174,993 leaving as surplus for the year £472,304. This surplus was 28.65 per cent. of the available revenue for the year. The total value of the visible reserves carried forward at the close of the year was £6,686,962 which was 43.96 per cent. of the total value of ordinary stock outstanding.

SCOTTISH INVESTMENT TRUSTS

		Net Revenue Available for Stock	Paid	Surplus Year	"Visible" Reserves and Forward	% on Ordin- Stock
1 Alliance Trust Co., Ltd.	1924-25	£ 163,723	£102,494	£ 61,229	£1,477,754	236.16
2 American Trust Co., Ltd.	1924-25	15,407	9,966	5,441	33,943	19.94
3 Brit. Canadian Trust Ltd.	1923-24	14,546	7,979	6,567	37,149	29.75
4 Br. Invest. Trust Ltd.	1924-25	156,892	117,800	39,092	1,387,942	173.49
5 Caledonian Trust Co., Ltd.	1924-25	29,028	26,350	2,678	2,865	.72
6 Clydesdale Inv. Co., Ltd.	1923-24	22,183	15,500	6,683	55,587	27.79
7 East of Scotland Trust Ltd.	1923-24	4,632	3,468	1,164	7,115	8.75
8 Edinburgh Inv. Trust, Ltd.	1924-25	57,395	44,640	12,755	196,466	40.93
9 First Scottish Am. Tr. Co. Ltd.	1924-25	34,038	24,446	9,592	147,568	49.17
10 Northern Am. Tr. Co., Ltd.	1923-24	71,910	49,600	22,310	748,749	149.75
11 Scottish Am. Inv. Co., Ltd.	1924	129,509	100,750	28,759	646,068	58.73
12 Scottish Inv. Trust Co., Ltd.	1923-24	32,126	19,375	12,751	124,722	49.89
13 Scottish Northern Inv. Tr. Ltd.	1924-25	34,761	23,875	10,886	158,594	79.30
14 Scottish Western Inv. Co. Ltd.	1924-25	66,089	43,400	22,689	351,741	87.94
15 Second Edinburgh Inv. Tr. Ltd.	1923-24	40,024	23,250	16,779	187,735	93.87
16 Second Scottish Am. Tr. Co. Ltd.	1924-25	45,670	32,551	13,119	194,778	48.69
17 Sec. Scottish Inv. Tr. Co. Ltd.	1923-24	38,260	27,900	10,360	154,568	51.52
18 Sec. Scottish N. Inv. Tr. Ltd.	1924-25	29,684	19,000	10,684	76,578	38.29
19 Third Edinburgh Inv. Tr. Ltd.	1923-24	22,900	9,300	13,600	92,524	92.52
20 Third Scottish Am. Tr. Co. Ltd.	1923-24	41,523	28,675	12,848	162,901	40.73
21 U. S. Invest. Corp., Ltd.	1924	12,093	9,300	2,793	38,648	38.65
Summary	1924-25	1,062,398	739,619	322,779	6,283,995	85.70
	1923-24	920,591	654,211	266,380	6,149,736	92.48
Increase		141,807	85,408	56,399	134,259	

From the table above it will be observed that the total net revenue available for ordinary stock of the 21 outstanding Scottish companies for the year ended 1925 amounted to £1,062,398 out of which ordinary dividends were paid amounting to £739,619 leaving a surplus for the year of £322,779. This surplus was 3.32 per cent. of the total available revenue for ordinary stock for the year. The total value of "visible" reserve and carry forward at the close of the year was £6,283,995 an increase of £134,259 over the previous year. This reserve was 85.70 per cent. of the total outstanding ordinary stocks.

Comparing Two Groups

It is interesting to compare the results of the English and Scottish companies as shown in the two tables above. The English companies retained out of the revenues 28.65 per cent., while the Scottish companies retained 30.32 per cent. The English companies have built up reserves which total 43 per cent. of the ordinary stock, while the Scottish companies have built up reserves which aggregate 85 per cent. of the ordinary stock. Such results are a wonderful tribute to the inherent soundness of the methods employed, as a whole, in the operation of British investment trusts. The large surpluses piled up by Scottish companies would seem to indicate that many of these are in line for early stock dividends or dividend increases. The same is also true in connection with several English companies.

BOND MOVEMENTS OF THE WEEK

Week Ending March 29

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	1926 Low	Range, 1927 High	Low	Ask	Bid	Latest Price High	Low
Asbestos, gen. mtge.	6	1956	6.75	88¾	81	94¼	88	93	92½	92½	92¼
Do., 1st mtge.	6	1941	5.91	..	..	101⅜	96¼	101⅞	100⅞	100⅞	..
Canadian Cement	6	1929	5.27	103	100½	102¼	100½	..	101½	102	101½
Can. Locomotive	6	1951	6.01	98¼	95	100	99	..	99¾	99¾	..
Dominion Iron	5	1929	14.76	94	86	92	69	77½	77	77¼	77
Lyall Cons.	6	1932	7.25	94¼	92	95¼	94	..	96¼	94	..
Montreal Power	5	1933	5.08	99½	99½	100	99½	..	..	99⅞	99⅝
Montreal Tram. "A"	5	1955	5.20	95	92½	97¾	94¼	96⅝	96¼	97	96⅛
Quebec Rly.	5	1939	5.32	100	91⅞	99½	96	98½	97½	97	..
Wayagamack	6	1951	6.07	100⅝	90	100	97	99	93½	99	..
War Loan	5	1931	4.60	100.40	100.35	101.85	101.00	101.50	101.30	101.35	101.15
Do.	5	1937	4.60	104.95	102.75	104.20	102.90	103.55	03.25	103.35	103.20
Victory Loan	5½	1927	4.70	102.50	100.15	101.00	100.25	100.65	100.50	100.55	100.45
Do.	5½	1933	4.78	106.35	103.20	104.80	103.90	104.30	104.10	104.25	104.05
Do.	5½	1934	4.94	104.40	102.65	104.05	103.15	103.80	103.60	103.70	103.50
Do.	5½	1937	4.60	109.30	106.70	108.00	106.90	107.30	107.10	107.20	107.10
Do., Renewal	5½	1927	4.60	101.95	100.00	100.80	100.20	100.65	100.45	100.55	100.25
Do.	5½	1932	4.80	103.85	102.00	103.45	102.45	103.25	103.10	103.10	102.85
Do., Refund	5	1928	4.68	101.35	99.00	101.00	100.00	100.65	100.45	100.45	.....
Do.	4½	1940	4.64	96.95	95.60	98.70	96.60	98.35	98.15	98.50	98.05
Do.	5	1943	4.78	102.80	101.10	103.00	102.30	102.65	102.50	102.55	102.55
Do.	4½	1944	4.64	97.15	95.70	98.85	98.60	98.35	98.05	98.30	98.05
Do.	4½	1946	4.58	96.90	95.65	98.60	96.70	98.45	98.20	.....	.....

WEEKLY RECORD OF F INANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Village of Humberstone	Mar.	Imperial Bank	5%	30-year.	$175,636	100,438	...
Waterloo	Mar.	Waterloo Trust & Savings	5%	10, 15, 20 yr.	33,823	100	5.00
Saskatoon	Mar.	A. E. Ames & Co.	5%	10 to 30 yr.	256,500	99.41	...
Port Moody	Mar.	Royal Financial Corp.	...	....	5,000	98.23	...
North Vancouver	Mar.	R. P. Clark & Co.	5 & 5½%	15, 20, 30 yr.	185,143	.....	...
Walkerville	Mar.	Wood, Gundy & Co.	5%	....	222,672	99.47	5.07

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Themis Building, Ltd.	Mar.	Rene T. Leclerc and Syndicate	6½%	15-yr	$675,000	100	6½%
Bishop Realty Corp.	Mar.	W. A. Mackenzie & Co.	7%	1947	300,000	100	7%
Guelph Carpet & Worsted Spinning Mills	Mar.	Hanson Bros., R. A. Daly & Co., and Royal Securities Corp.	6%	1947	1,000,000	96½	6.30
Can. Department Stores	Mar.	Edmund Seymour & Co., Inc., York	6½%	....	2,500,000	99½	6.55
Loretto Ladies College, Toronto	Mar.	Bray, Carm and Dube	5%	Serial	500,000	....	...
Automobile Owners' Assoc.	Mar.	W. H. de Udy & Co.	7%	20-yr.	100,000	100	7%
City of Rome	Mar.	J. P. Morgan, anl Dominion Securities	6½%	1952	30,000,000	91	7¼%
Stock Issues—							
Quebec Southern Power Corp.	Mar.	Matthews & Co., and Browne, Urquhart & Co.	Com. no par		55,000 shs.	$27.50	...
Robert W. Rowe, Ltd.	Mar.	Merkley & Co.	8% Pref. (With bonus of 2 shs. of common)		$100,000	....	...
Alberta Wood Preserving Co.	Mar.	O. C. Arnott Co., Calgary (With bonus of 5 shs. no-par val. com. with each 10 shs. of pref.)	7% Pref.		165,000	100	7%
Community Hotel Co., Sydney	Mar.	Locally	7% Pref. No-par com. 1,500 shs. in units of 2 shs. of pref. and 1 of com.—$200 per unit.		300,000		

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LIFE INSURANCE SHARES IN FAVOR; MARKET ACTIVE

Changes in Sun Life and Impending Merger Help Situation

LIFE INSURANCE
Comparative Prices of Some Canadian Life Insurance Stocks

	Jan. 31 1925 Bid	Jan. 31 1926 Bid	Jan. 31 1927 Bid
Canada Life ..	220	350	750
Continent. Life.	25	29	47
Confed. Life ...	30	35	60
Excelsior Life..	32	40	65
Great-West Life	240	330	445
Imperial Life. .	100	145	340
Manufact. Life.	35	90	180
Montreal Life .	22	25	48
Monarch Life. .	14	17	32
Sun Life	200	300	700
Sovereign Life .	18	22	32

So much is heard about the value of life insurance from the point of view of the policyholder that the opportunities offered to the shareholders of insurance companies are sometimes overlooked. The recent spectacular performance of the stock of some of the larger Canadian companies has focused attention on these securities and has caused considerable comments among investors and insurance men. Two of the questions that have been asked in the last few weeks are, "What makes a share of life insurance stock worth $1,500? What is pushing up the price of Canadian life insurance stocks?"

Sun Life Position in Doubt

The latter question refers to the immediate influences which are at present affecting the Canadian market. One of the most notable of these is the rumor which is at present centering around the Sun Life Assurance Co. The stock of this company has advanced in the last three months from about $800 a share to a bid price of between $1,300 and $1,400. The speculation centres around the capital stock structure of this company, about which there is some uncertainty. Originally the charter of the company authorized a capital of $4,000,000, but due to some subsequent changes, there seems to be doubt as to whether or not the company can issue the full amount of capital. The company is at the present time appearing before the Standing Committee of Banking and Commerce at Ottawa, to obtain a clarification of the exact position of the company in this respect. The results of the committee's deliberations are being watched with interest by the shareholders.

Another influence which has had a distinct influence on the market is the fact that British capital has been active within the last few weeks in an attempt to purchase one of the smaller Canadian life insurance companies. It is understood that several companies were approached in this regard and that definite arrangements have been made to purchase one Canadian company. The whole arrangement has been kept particularly quiet and no official announcement is to be made until the arrangement is formally ratified by the English shareholders.

Factors Affecting Such Stocks

The first question has to do with the fundamental factors which affect the price of life insurance stock. Strangely enough it is only recently that there has been any wide distribution of insurance stock among investors and even to-day the shares of a well-established insurance company are, as a rule, exceedingly difficult to purchase. Week after week, various bids appear on the market but are withdrawn because no stock is offered.

Perhaps one of the features which appeals more particularly to the average investor is the tremendous assets of insurance companies which are of necessity invested in high-grade securities under supervision of the Government Insurance Department. It has been said that the far-sighted investment policy of insurance companies is the vehicle of their financial progress. Not only is the element of safety assured but in view of the tremendous growth of insurance within the last few years and the very attractive possibilities of the future, the appreciation of assets, and therefore of equity in capital stock, is almost assured to the investor who is willing to wait a few years for a return on his investment.

Two other features which have particular attraction to investors are in the first case the dividends (both regular and stock), which have been declared from time to time on insurance stock, and secondly, the rights which are being continually given to the existing shareholders to take up more capital, well below the market prices. With regard to subscription rights, these are given when capital is increased, to keep pace with the rapid growth of assets. In the event that a shareholder does not wish to exercise his rights, these rights are as a rule readily saleable on the market.

Give Stock Dividends

The distribution of stock dividends has been another feature of Canadian Life insurance stock during the past few years and in view of the increasing size of the companies, this capitalization of a portion of the surplus that has been accumulated from earnings seems sure to be continued. Comparing insurance stock with the ordinary investment trust stock, it is interesting to note that insurance companies have the advantage of the use of policyholders' funds without cost. In the last ten years one Canadian life insurance company has increased 1,100 per cent. in its market value, while others have increased anywhere from 100 per cent. to 500 per cent.

The fact that Canada now has a per capita amount of life insurance amounting to $492.00, and the fact that insurance is being written in Canada at a rate which increases about 10 per cent. each year, is evidently demonstrating to the British investor, and to the British companies that the Canadian life insurance business gives promise of great things in the future.

Private Firms Are Out of Compensation Picture Under New Quebec Plan

Judging by the attitude of Premier L. A. Taschereau, when speaking to a deputation representing organized labour in Quebec, there will be no workmen's compensation for the province of Quebec along the lines of the act which was to have come into force this week. Last week, The Financial Post pointed out that the sudden decision of the Quebec government to withdraw the new act on the eve of its coming in force, as prophetic of a state insurance fund. This position is amply sustained by the stand now taken by Premier Taschereau, when confronted by the labour delegates, who demanded a definite statement as to what the government intended to do, now that it had definitely withdrawn the new act which was to have come into effect on April 1, 1927.

Government Changes Policy

In the first place, the labor delegates asked the government whether or not it intended to bring on the new act even in 1928. The reply was emphatically in the negative, the premier stating that the government has absolutely no intention of putting the law into effect as it now stands. What then is the government policy? The answer is probably found in the stand which the government is now taking in regard to the appointment of a commission to handle compensation.

Organized labor is definitely working towards the establishment of a commission, and Premier Taschereau's remarks on that subject seem decidedly hopeful for those who want this form of procedure. The Premier told the delegation that subject to the general elections and providing that they were returned to power, the government was willing to meet the labor men and go into the matter of adopting legislation which would be suitable and to consider whether or not the views of labor as regards a commission, were in the best interests of the province. Under these conditions the Premier stated that the government would have no hesitation in putting such a law into effect. Since this announcement was made, the date of the Quebec provincial elections has been tentatively set for the latter part of May, so that an early decision may be looked for once the Taschereau government is installed for another term.

Companies Must Drop Out

Those who have watched the progress of compensation in the other provinces of the Dominion, hold out little hope for the continued operation of private companies in this field in Quebec. It is believed that personally Premier Taschereau is opposed to the creation of a monopolistic state fund, but wherever the idea of a commission has been tried out, the result has been inevitably state insurance. Under a commission, compensation would be directed by that body but the actual insurance would be written by private companies. That is to say, the commission would make awards, but the insurance itself would be placed and carried by private concerns. In Manitoba this system was tried out, but in two or three years the government, having found out the results of private experience, took over the whole scheme themselves.

The position of the insurance companies in this situation is none too hopeful. The general opinion among the companies confirms the belief that the day of the private company writing this class of risk in Quebec is at an end. Although compensation will be written this year by most of the companies under the old act, insurance men seem uniformly pessimistic as to the possibilities of doing business there in the future. The only question that seems to be in doubt is whether or not the appointing of a commission will prolong the underwriting by private companies, for another year or two.

Say Spread Too High

Both labor leaders and insurance men attribute the current situation in Quebec to the fact that there was such a wide spread, between the rates as in force in Ontario under the provincial Workmen's Compensation Board, and the rates submitted by the insurance companies to be effective under the new act. The benefits under the proposed Quebec Act, were said to be only about 85 per cent. of those enjoyed in Ontario, and the cost to the employers was estimated to be nearly double the cost to Ontario employers. The cost of compensation in Ontario, figured on the basis of payroll, is about $1.13 per $100. In Quebec, under the now defunct act, the average cost was estimated to be about $2.00 per $100 of payroll. The difference in cost is attributed to various factors, perhaps the most important of which is the fact that in Ontario the actual cost of maintaining the compensation is less than 5 per cent., whereas under the Quebec scheme, where private companies sell the insurance, the cost is greater.

In view of this wide difference in cost, between two provinces whose manufacturers are in constant competition one with another, the government has been forced to withdraw its new act until such time as a more equitable form of protection can be devised.

TO GIVE MOTORISTS COMPLETE COVERAGE

Tariff Companies Join Movement to Write All-Embracing Car Policies

A new "comprehensive" automobile policy has been announced by some "tariff" automobile insurance companies. This policy, which covers all the five risks written by automobile underwriters, is being tried out this year for the first time by the various companies which comprise the "tariff" or "line group." Two or three of the non-tariff companies have already written this form of coverage on automobile risks, but the venture is an entirely new one as far as the tariff companies are concerned. The five risks covered by the comprehensive policy are personal liability, property damage, collision, damage to the insured's automobile, fire and transportation, and theft.

As far as automobile owners in Ontario, Quebec and the Maritime Provinces are concerned, the advantage that will accrue from the new form of policy, will be the simplification due to the fact that only one policy will be necessary instead of individual policies as heretofore. At present there will be no reduction in premium by insuring in all five risks covered by the comprehensive policy, as far as Eastern and Central Canada are concerned. Rates, however, will be 10 per cent. lower than during 1926, due to the cut made in the tariff premiums about a month ago. This cut extends to risks written in Ontario, Quebec and the Maritime Provinces.

Western Canada, however, should benefit materially by the new policy, it having been announced that the new rates on the comprehensive policy will be 15 per cent. below the cost of insuring in all of the five risks separately. The 10 per cent. cut in tariff company rates which became effective in the other provinces on March 1 does not apply to the West, but automobile owners who take the comprehensive policy will now receive a 15 per cent. rebate from tariff companies. The policy applies only to private passenger cars.

Insurance Personals

J. W. W. Stewart, vice-president and managing director of the Monarch Life Assurance Company, accompanied by J. H. Romig, supervisor of Agencies, has just returned to Winnipeg from a business trip throughout Eastern Canada, and announces the appointment of J. L. Routly as their superintendent for the province of Quebec, with headquarters in Montreal. Mr. Routly is well and favorably known in Winnipeg, where he was manager for the Imperial Life Assurance Company for several years. For the past two years he has been associated with the Aetna Life in Philadelphia.

Mr. Stewart also announces the appointment of E. F. Jamieson, formerly of Winnipeg, as their superintendent for the Maritime Provinces, with headquarters in St. John, N.B.

The London Assurance and associated companies announce the appointment of Thomas Crawford as inspector for the provinces of Alberta and Saskatchewan, with headquarters at Calgary. Formerly, Mr. Crawford was inspector with Toole, Peet and Company, general agents, and later Craig, Benjamin and Baker. The experience gained through two years' intensive work with the superintendent of insurance for Alberta will prove of value to Mr. Crawford in his larger responsibilities.

National Guaranty Fire Appoints Canadian Agents

From Our Own Correspondent

MONTREAL.—Thibaudeau and Company have changed the firm name to Thibaudeau, Wood and Company. Mr. Thibaudeau is well known in the insurance and business field, being also the vice-president and general manager of the Canadian Union Insurance Company and a director of the Industrial Loan and Investment Corporation, Montreal. A. J. Wood is the son of W. B. Wood, and formerly associated with him in the Dominion Flour Mills Company.

The new firm will act as general agents for the Province of Quebec, for the Canadian Union Insurance Company, and Mill Owners' Insurance Company. Besides, the company will act as agents for the Dominion for the National Guaranty Fire Insurance Company, of Newark, N. J. It is understood that operations will be commenced immediately for the latter company in the provinces of Ontario and Quebec. The company will transact the business of fire insurance, and will operate on a non-board basis.

Policies Lapse Because Not Properly Placed

Members of the Life Insurance Sales Research Bureau met recently in Chicago to discuss the subject of lapsation and to suggest ways and means of lessening the evil. The general conclusion that was reached was to the effect that the question of lapsation was ultimately a thing which concerned the agent—an individual rather than a company problem. The following points form the general concensus of opinion as to the principal reasons for lapsation:

1.—The policy is not properly sold.
2.—The policyholder misunderstood his policy.
3.—The agent of another company convinces the policyholder that he can "switch" with advantage.
4.—A real or fancied grievance is entertained against the company.
5.—Failure to secure settlement of the initial premium in cash.
6.—Failure to keep in touch with policyholders.
7.—Overloading the applicant.

From the point of view of the agent, these reasons point the obvious moral, that lack of information on the part of the client, is responsible for most lapses, the Great-West Life Bulletin points out.

Increase in Market Value 1100%
Average Gain Per Year Including Dividends 124%

This is the record of one Canadian Insurance Company for the past 10 years. This record gives you some idea of the immense possibilities in shares of the established Insurance Companies. Thirty-seven companies, over the same period, averaged a 229% increase in market valuation and a yearly average of over 32%.

Don't you think you owe it to yourself to investigate fully the opportunities in this type of security?

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2. This Company writes *more* Credit Insurance than any other company in the world. Its yearly volume of premiums is practically equal to the combined credit insurance premiums of *all* other companies.

3. This Company writes Credit Insurance *exclusively*. The entire thought and interest of the large home office organization, as well as the 47 branch offices, is concentrated on the one subject of credit insurance—and how to make it more valuable to *you*.

4. This Company offers the maximum safety and protection. The joint report of the examiners of the Insurance Departments of New York and Missouri said: "...the company is in a sound financial condition.... books of account and records are accurately compiled... treatment of policyholders and claimants is fair and equitable... claims are promptly paid."

5. This Company has a more highly organized and farther extended Collection Service than has any other company writing credit insurance.

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R. J. Mullen, General Manager for Canada
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Montreal Office Canada Cement Bldg., Phone: Lancaster 3258
LR227

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HEAD OFFICE: WINNIPEG, CANADA
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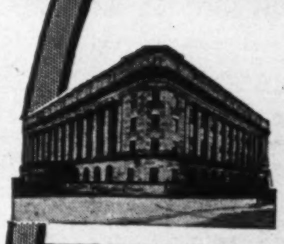
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Take all the premiums ever collected in Canada by Metropolitan Life, and compare them, first with the claims paid on policies in Canada; second with the Metropolitan investments in Canadian securities; third with Metropolitan operating expenses in Canada; those three things exceed by $53,000,000 all of the premiums ever collected in Canada by Metropolitan Life.
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TOTAL BENEFITS
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Current Events in Banking World

BRANCH MANAGER STRONG BELIEVER IN PERSONAL CALL

Advocates "Leg Work" as Stimulus to Larger Business

By C. PAYELL.

We bank managers can no longer afford to be cloistered souls, waiting for our customers to seek us out. Rather we are discovering that it is necessary to introduce methods of personal salesmanship and much "leg-work" into business-building.

Our banks advertise their services in daily newspapers and financial journals and are well known to the public. Frequent displays create confidence. But the human element in establishing satisfactory business relations counts more than any other factor and without a certain amount of personal contact the value of any advertising campaign is minimized. It must be followed up by visits from branch managers to persons located in their districts, if the maximum benefit is to be attained.

Manager is Connecting Link

The manager is the connecting link between a bank's advertisement and the public. The chances of increasing his business vary with his natural aptitude in inspiring his prospects with confidence in himself. The value of the bank's advertising is greatly enhanced by the bearing and personality of its managers.

In order to attract new accounts we managers must forget ourselves and our banks; paradoxical as it may sound, the interests of our prospects, must predominate in our approach to the latter. As we call on different types of men we must be careful not to adopt a patronising attitude towards the small man nor cringe to the man of extensive business interests. Both traits are fatal to success.

Understand His Business

It is important that we should know something about the business of our prospects. If, for example, a prospect upon whom I am calling is engaged in the manufacture of shoes I should be able to discuss intelligently the leather situation. The prospect will do most of the talking anyway, as he will be much more interested in discussing his business than in listening to me.

When the psychological time comes to broach the subject of banking arrangements, I always assume that his present connections are entirely satisfactory. I never on any account run down my competitor; the results would likely prove abortive; there is no weaker argument available. I endeavor on the other hand to implant in the prospect's mind the fact that it will be advantageous for him to do business with me. If location is a consideration this feature may be developed as an argument for making a change; the saving in money and time could be discussed. As my bank has extensive facilities for developing foreign trade the benefits to be derived from forming banking connections with such an institution are explained.

Another important point is that I never pretend to be in a position to promise anything definitely with regard to the granting of credit, as this can only be decided by head office; definite undertakings would put me in a ludicrous position. A letter following up the interview confirms and strengthens a favorable impression.

Staff Gossip

Walter Stumpf, of the Bank of Nova Scotia, has been transferred from Haileybury to Brigden.—Signet, Elmira.

* * *

Errol Hardy, of the Bank of Montreal, has been transferred from Richmond to Danville.—Times-Guardian, Richmond.

* * *

J. W. Gomer, accountant of the Bank of Commerce, Lindsay, has been transferred to a Toronto branch.—Post, Lindsay.

* * *

Donald McKay, of the staff of the Canadian Bank of Commerce at North Sydney, has been transferred to Stanley, N.B.—Herald, North Sydney.

* * *

B. L. Messias, manager of the Douglas branch of the Bank of Montreal, has returned after a three months' vacation on the island of Jamaica.—Mercury, Renfrew.

* * *

F. A. Morgan, formerly accountant of the Granby branch of the Canadian Bank of Commerce, who left here about twelve years ago to become the manager of the Knowlton branch, is being transferred to a similar position in Magog.—Leader-Mail, Granby.

* * *

D. M. Kydd, manager of the Virden, Man., branch of the Canadian Bank of Commerce, has been succeeded by P. H. Hamon, formerly of the Parrsboro, N.S., branch. Mr. Kydd has been transferred to the management of the Truro, N.S., branch.—Canadian Finance, Winnipeg.

* * *

S. H. Crockett has been appointed assistant manager of the Prince William Street branch of the Bank of Nova Scotia, succeeding V. K. Forsyth, who recently resigned. Mr. Crockett is a native of Summerside, P.E.I., and has been with the bank about 20 years, the last few years being a member of the inspection staff. In the latter capacity he has visited most of the branches of the bank in Canada.

Mr. Forsythe has resigned to enter the investment banking business in New York.—Telegraph-Journal, St. John.

* * *

Dominion Bank announces the following staff appointments:

Percival Huffman has been appointed manager at London, England, branch, succeeding S. L. Jones, who has retired.

A. W. Rice has been appointed assistant agent at New York agency.

The following officers, who have heretofore been acting managers, have been appointed managers: E. C. Boswell, Baden, Ont.; F. A. Burt, Brooklin, Ont.; E. W. Slaght, Dresden, Ont.; G. M. Chesney, Fairbank, Ont.; F. V. Hill, King and Wentworth Sts. branch, Hamilton, Ont.; S. T. Organ, Hespeler, Ont.; H. R. Hawthorne, Mount Forest, Ont.

To Scrutinize Again Montreal Water Deal

MONTREAL. — Once again, the Montreal city council is to reconsider its decision to purchase the Montreal Water and Power Company. In ten days, the deal leading to a hundred per cent. profit in a few weeks by Senator L. C. Webster and those associated with him, will again be scrutinized by the city council.

Some of the more intelligent aldermen feel that in the best interests of the city of Montreal an independent audit and an appraisal of the Montreal Water and Power Company's property should be made previous to the vote on the purchase being taken.

SUGGESTS MAKING CUSTOMERS NOTICE DESIRE TO PLEASE

Bank Manager Passes on Suggestion Gleaned from Dining Car

By a Bank Manager.

The other day I was seated at a table in the diner of an express. While waiting for my poached egg and coffee I idly studied the menu card. My attention was caught by the following words printed in red ink:

"If for any reason you feel that proper attention or service has not been furnished to you by our employees, we will deem it a favor if you will report the fact direct to the Superintendent of Dining Car Service. No matter how trivial the complaint may seem to you, IT IS IMPORTANT TO US."

The railways have long since learned that one of their most important functions is to please the public. They depend upon the latter's goodwill and co-operation in the maintenance of a high standard of service. Efficiency is their watchword. There is not an employee on any of the transportation lines who has not had drilled into him the importance of pleasing the public.

Banks Might Follow Example

Our banks cater to the same element as the railways and might well take a leaf out of the railways' book. These were my thought as I remembered the loss to my branch of an important savings bank deposit. The closing entry had been received through the clearing house and the account had gone before I was granted the opportunity of ascertaining the reason for the loss. It appeared that a mistake of $100 had been made in the extension of a balance, and as a similar error had occurred before (so the lost depositor told me over the telephone, when I questioned him), he had promptly decided to change banks.

Now, it is impossible for the manager or accountant of a branch bank to camp at the ledgerkeeper's elbow; the result is, in branches where an extensive savings business is transacted, customers sometimes suffer in silence and eventually close their accounts. That is, they follow the line of least resistance if they do not obtain the service or attention they consider themselves entitled to receive. The average customer dislikes making a scene or reporting clerks to the manager or accountant. For example, if you fail to receive courteous service when you enter a shop you do not usually raise a row; you simply do not return. The result is that the management very often fails to discover weak spots until the harm is done. In fact, the cause of lost business is frequently undisclosed, but the results are reflected in the profit and loss account.

Sees Only Own Mistake

This is applicable as well to the deposit losses sustained by individual banks. Those institutions who insist upon their employees giving their best to the public reap the greatest rewards. But the clerks are not infallible. The number of errors they make is small in proportion to the total entries put through. The customer sees only his own account and mistakes are usually magnified in importance.

The idea occurred to me that a card bearing some such words as those shown on the menu card might be used to advantage by branches. I use one in my branch.

For example, words such as the following could be displayed in conspicuous places near the customers' wickets:

"The manager will consider it a favor if you will report direct to him in the event of dissatisfaction. No matter how trivial the matter may seem to you,
IT IS IMPORTANT TO THE BANK."

or

"If for any reason you do not consider that our service is all that it might be, the manager will deem it a favor if you will inform him of the fact. Complaints will be received in the proper spirit. No matter how trivial they may seem to you,
THEY ARE IMPORTANT TO THE BANK."

It may be contended that the morale of the staff will be lowered by the display of such cards, but the management could make it plain to the clerks that while the bank does not expect perfection of them, on the other hand, the customers feel they are entitled to it. The psychological effect on the customer in seeing such a card might sometimes disarm him of all criticism; the knowledge that the bank is ready to meet complaints in a proper spirit would possibly act as a soother to a disgruntled customer; such is human nature.

Opening Branch at Kapuskasing

The Canadian Bank of Commerce have announced that a branch will be opened shortly at Kapuskasing, where important developments are taking place in the way of construction of a very large pulp and paper mill.

Bienvenu Appointed

MONTREAL.—The Provincial Bank of Canada has announced the appointment of Joseph De Boucherville, K.C., the son of a late prime minister of the Province of Quebec, as a member of the board of commissioners of the bank.

Announcement has also been made of the appointment of Tancrede Bienvenu, general manager of the bank for more than 25 years as first vice-president. Mr. Bienvenu was one of the principal founders of the bank in 1900.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Mar. 25 1926	Mar. 24 1927
Halifax	$ 2,497,391	$ 2,515,706
St. John	2,365,647	2,381,119
Moncton	758,716	748,417
Quebec	7,609,126	5,587,133
Sherbrooke	724,143	878,313
Montreal	79,188,778	100,603,098
Ottawa	5,134,957	5,895,364
Kingston	472,721	486,492
Peterboro	763,681	742,857
Toronto	85,703,127	107,500,159
Hamilton	5,125,574	5,090,246
Chatham	563,785	828,823
Brantford	921,736	944,857
London	2,312,899	2,778,505
Sarnia	......	608,013
Kitchener	773,408	977,302
Windsor	3,700,226	4,791,102

Western Cities

	Mar. 25 1926	Mar. 24 1927
Fort William	$ 564,819	$ 793,481
Winnipeg	45,864,377	44,764,156
Brandon	489,520	475,210
Regina	3,326,332	3,608,551
Moose Jaw	972,158	1,033,819
Saskatoon	1,692,518	1,532,224
Prince Albert	360,962	377,041
Lethbridge	496,050	529,533
Calgary	8,706,462	7,954,927
Edmonton	4,329,907	4,303,352
Medicine Hat	263,037	282,738
N. Westminster	796,825	692,221
Vancouver	20,403,238	16,580,156
Victoria	1,971,829	1,882,523

Penmans LIMITED

Manufacturers of High-Grade
KNITTED UNDERWEAR, HOSIERY, AND OUTERWEAR
MILLS AT PARIS, Ont. BRANTFORD, Ont. LONDON, Ont. WATERFORD, Ont.
ALMONTE, Ont. COATICOOK, Que. and ST. HYACINTHE, Que.

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Selling Agents to Wholesale Trade:
JOHN GORDON & SON, LIMITED,
Toronto and Montreal.

SELLING AGENTS TO RETAIL TRADE
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B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.

FAR EASTERN REPRESENTATIVE
H. P. Surrey, Shanghai, China.

EXPORT REPRESENTATIVES
S. Elliott & Co., St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutliffe, London, Eng.

This will be a Good Year in—

SASKATCHEWAN

Profitable Business Awaits Manufacturers of Products of Merit

Signs of prosperity are becoming more apparent every day. From every source comes news of preparation for bigger and better business in 1927.

Some Facts Revealing Saskatchewan's Buying Power

The annual report of the Dominion Government Bureau of Statistics just published, shows the value of Saskatchewan's 1926 wheat crop to be $236,134,000, 53% of the total for Canada.

The total value of all field crops in Saskatchewan last year was $313,318,000, representing an average of $2,645 per farm **for crops alone.**

A steady income is derived from dairying, livestock, poultry, honey production and other industries which are coming to be part of farm life in Saskatchewan.

Saskatchewan's agricultural wealth is estimated at $1,682,473,000. It is first in Canada in value of lands, implements and machinery—also the leading horse breeding Province with some exceptionally good breeding stock.

The net value of Saskatchewan's production including agricultural and all other industries is the highest of the Western Provinces and ranks third in the Dominion.

The Saskatchewan Wheat Pool has just completed distribution of approximately $17,700,000 in cash to its members.

There is a constant stream of new settlers into the Province and a steady establishment of new farm homes. One colonizing institution alone has, in the last two seasons, settled over 500 families on farms in Saskatchewan —permanently settled them, not one family being in arrears of any kind.

1927 will see at least half a million acres more than last year in cultivation according to the Provincial Government, which means that there will be within Saskatchewan an area of not less than TWENTY SIX MILLION ACRES at work producing new agricultural wealth for her people.

Such encouraging factors as these must surely focus the attention of manufacturers on the Saskatchewan market and the means of reaching it quickly, efficiently and economically.

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Toronto Finance	Dominion Industrial Alcohol

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A SPECIAL TRAIN TO NORANDA will be run from Cochrane to accommodate passengers from points along the Temiskaming and Canadian National lines, thereby avoiding an over night stop—and providing through rail connections. The same facilities will be available on the return journey. Reduced fares may be obtained in parties of ten or more on all regular trains.

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WESTINGHOUSE COMPANY ENJOYS SPLENDID YEAR

$623,451 Remains as Surplus After Payment of 10 Per Cent. on Stock

Annual report of Canadian Westinghouse Co. shows net earnings of $1,366,742 for 1926. After payment of 10 per cent. dividends on the outstanding stock of the par value of $7,432,900, $623,451 is carried to surplus account, which now totals $4,244,993. Cash on hand totals $1,902,702 and government bonds held by the company total $1,206,820. Bills receivable total $2,123,155. Bills payable amount to $906,521.

The directors' report cites a general improvement in business conditions in Canada and a greater stability due to the finality of the last Dominion election. This betterment in general conditions was reflected in all departments of the Westinghouse business at Hamilton.

All members of the board were re-elected at the annual meeting of shareholders on March 29th and at a subsequent meeting of the directors these officers were elected: H. H. Westinghouse, chairman; Paul J. Myler, president; L. A. Osborne, F. A. Merrick, N. S. Braden, vice-presidents; N. U. Hart, general manager and chief engineer; W. E. Sprague, secretary; George R. Kerr, treasurer; H. M. Bostwick, manager of sales; C. H. O. Pook, manager of works.

The company recently has acquired a warehouse and service building in Toronto and it is probable that additions to be made to the Hamilton works will be embarked upon before the end of the current year.

CAPITAL STOCK

Issued at formation of company, 1903	$2,500,000	
Allotted April 30th, 1906	1,000,000	at par
Allotted July 2nd, 1907	876,600	at par
Allotted Sept. 30th, 1912	616,100	at par
Allotted Dec. 14th, 1916	7,300	
Allotted Feb. 1st, 1917	1,229,400	at par
Allotted Oct. 1st, 1920	1,188,500	at par
Allotted Mar. 31st, 1922	10,000	at par
Allotted Mar. 31st, 1924	5,000	at par
	$7,432,900	

PROFIT AND LOSS

Year	Net Earnings $	Depreciation $	Dividends $	Surplus Year $	Surplus Total $	Deprec. Reserve $	Earn. Rate %
1922	942,195	200,000	593,932	148,263	2,612,681	600,000	9.99
1923	1,233,474	212,000	742,790	278,684	2,891,365	600,000	13.75
1924	1,385,369	246,000	743,290	396,079	3,287,444	600,000	15.32
1925	1,322,387	245,000	743,290	334,097	3,621,541	600,000	14.49
1926	1,616,741	250,000	743,290	623,451	4,244,993	600,000	18.39

SUN LIFE ASSURANCE TO INCREASE PROFITS AVAILABLE FOR POLICIES

(Continued from page 1)

devote 97 per cent. of the profits to the participating policyholders. This percentage applies of course only on the profits coming fr m the participating department of the company's operations.

The increase in the capitalization means little except that when ultimately issued it will tend to bring the capitalization more in line with the total assets, which now stand at over $345,000,000.

The management has no plans in view for the immediate issuance of the new stock. If, as, and when, the increased capitalization is authorized, it could be issued in part either as a bonus to the shareholders, or it could be sold to the shareholders at any figure the management desires. It has been said that the probability of an increase in the capital of the Sun Life was one of the reasons for the marked appreciation in the price at which the shares have been changing hands over the past few months.

But the increasing price of the shares is due more to the strong earning position of the company, rather than to the possibility of a stock bonus or the issuance of valuable rights to the shareholders. In other words, it is the earning power behind the stock which has brought about the rise, rather than the mere technicality of how the company may or may not decide to distribute its earnings in the future.

TAKE NO ACTION ON COCKSHUTT ARREARS

Plow Company Head Promises Meeting if Feasible Plan is Found

At the annual meeting of Cockshutt Plow Co., held in Brantford on March 28th, Col. Henry Cockshutt, the president, said that there was no foundation to the report that the directors had in contemplation a plan for the funding of the arrears of dividends on the preferred shares. He pointed out that the company only earned the 4 per cent. dividend which it paid last year and that it would be of no advantage to the shareholders to create further paper securities while the earnings were not sufficient to pay adequate returns.

"Evidently there is very little prospect of the company being able to pay the arrears in cash at any close date," he continued, "but any plan for dealing with them would have to include the reduction in the cumulative charges in future—so as to prevent the piling up of fresh arrears—or else it would be no use touching the matter at all." He added that if the board can find a plan which looks to them likely to be acceptable to the shareholders, they will submit it to them by calling a general meeting.

F. Perry, vice-president, pointed out that Cockshutt Plow Co. was the only purely Canadian implement company in that it was the only company manufacturing exclusively in Canada. He said that the company was under some disadvantage in that competition from foreign sources was keen and that the export business was hampered in some degree by the fact that competitors in the Canadian field operated branch factories abroad and thus were able to overcome tariff restrictions.

Directors re-elected were Col. Henry Cockshutt, F. Perry, A. K. Bunnell, George A. Baker and Edward Fitzgerald.

Makamic Assays High

MONTREAL.—Makamic Mines has received another assay report which shows that vein "A" is maintaining its high percentage of copper and silver ore—even though the vein is widening considerably. Two sample assays give 3.80 to 4.60 ounces per ton of silver; and 22 per cent. to 24 per cent. of copper.

Noranda Townsite Lots to be Sold Publicly Next Week

Town lots of the new Noranda townsite, will be offered at public auction on April 6 and 7 next by De Martigny and Bruneau, of Montreal. Special trains will be run to Noranda from Montreal for prospective buyers and judging from the number of inquiries already received by the selling agents, the sale will be one of the largest of its kind ever held in this country.

The property is adjacent to the Noranda mine and has been laid out along the lines of a model town. It is now served with railway transportation, power, electricity, etc. The townsite as laid out covers 114 acres. Streets are from 70 to 80 feet wide, about four miles of which have been graded. Water mains, sewer pipes, hydrants, churches, schools, theatre, stores and all the improvements of old established communities are or will be in place before very long. It is estimated that over $400,000 will have been spent on municipal improvements by the end of the summer.

FOREIGN EXCHANGES

Jugo War Talk Hits Italy Lira

Conducted by S. J. SACHS.

Markets are slightly irregular this week. Speculative leaders, which during the past few months have steadily moved forward, reacted somewhat from their new highs. Pesetas which had reached a new high at $.18111/2 reacted slightly. Italian lire reacted on the news Albania is mobilizing and that Jugoslavia would take defensive measures. Although the situation is not regarded with great apprehension, yet should anything happen, Italy would be involved. Sterling has been holding steady and a great deal of the pressure which followed termination of the coal strike appears to have been removed.

Silver currencies which had been selling off advanced sharply following the rise in silver metal when Chinese buying set in. Yen remains fairly steady.

It is now definitely confirmed that the Indian Government has been buying gold in the open markets, competing in a sense with the Bank of England for gold. The purchases are for the purpose of carrying out the recommendations of the Indian Currency Commission. As the gold standard becomes more universal the Bank of England will find it increasingly difficult to add to or hold its reserves. This will mean that the Bank of England will need to maintain its discount rate which will eliminate the prospect of easier money rates in London for some time.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Mar. 24	x1-64	x1-32	5-16	9-32
Mar. 25	x1-32	x5-64	9-32	15-64
Mar. 26	x1-16	x3-32	1-4	3-16
Mar. 28	x7-64	x9-64	3-16	9-64
Mar. 29	x3-32	x9-64	5-32	1-8
Mar. 30	x1-16	x7-64	13-64	11-64

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Mar. 24	4.85 5/16	3.91½	4.58½
Mar. 25	4.85⅜	3.91½	4.59½
Mar. 26	4.85⅜	3.91½	4.58
Mar. 28	4.85⅜	3.91½	4.58½
Mar. 29	4.85 5/16	3.91½	4.58¾
Mar. 30	4.85 5/16	3.91½	4.58

FOREIGN EXCHANGE

Par		Mar. 23	Mar. 30
19.30	Italian	4.57	4.59
32.45	Brazilian	12.10	11.87
23.82	German	23.72	23.70
19.30	Belgium	2.78	2.78
84.85	Japan	49.00⅛	49.10

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The rates are low.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up $20,000,000
Reserve Fund $20,000,000

THE NATION'S BUSINESS

(Continued from page 1)

occasionally sees more than he who 'stands close' day by day."

* * *

THIS British editor raises another point when he indicates the need for having these offices staffed by men and women who know Canada thoroughly. He writes:

"There is need in these London offices too, for men who know the country or the province whose interests they are employed to serve, or at all events for men of intelligence. Some time ago I personally saw some seemingly responsible official in one of the offices, with a simple request that I might be allowed to inspect photographs from different parts of the province, with a view, if possible, to finding one of hardware interest for a certain article touching on Canada's manufacturing resources; a very interesting and a very important subject. The official said that he would look through his records, and the photograph he provided, which he said 'was the only one of hardware interest,' actually showed a textile mill."

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It is our additional facilities, designed to direct the commitments of investors into most profitable channels, which make our complete service of such value.

We invite the fullest use of these aids to profitable mining investments and suggest as the first step writing for a copy of Gibson's Fortnightly Mining Review, the current issue of which is especially interesting and informative

Write for this today

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Gotfredson Corporation Limited

Dividend Notice

Notice is hereby given that the regular quarterly dividend of thirty-seven and one-half cents (37½c.) per share has been declared on the capital stock of Gotfredson Corporation, Limited. This dividend is payable April 15th, 1927, to shareholders of record as at the close of business March 31st, 1927.

CHAS. S. PORTER,
Secretary and Managing Director.

Walkerville, March 29th, 1927.

Dividend Number 161

Hollinger Consolidated Gold Mines

(No personal liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 22nd day of April, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 6th day of April, 1927.

Dated the 30th day of March, 1927.

I. McIVOR,
Assistant-Treasurer.

$80,000.00 Town of Fort Frances Ontario

5½% School Bonds

Tenders will be received by the undersigned until

APRIL 9TH, 1927,

for $80,000.00, 5½%, High School, 20-year, serial debentures of the Town of Fort Frances. Repayable in equal annual instalments of Principal and Interest. Highest or any tender not necessarily accepted.

H. E. MARR,
Town Treasurer.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the quarter ending 31st March, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 7th day of April, 1927, at 4 o'clock p.m. and payable on the 16th day of April, 1927.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Tuesday, March 29th, 1927.

FOR SALE

PATENT OF MERIT

A REAL FORTUNE MAKER

Applicants please state manufacturing and distributing or promotion and financing facilities to

S. B. CLIFFORD,
401-4 Chambers of Commerce,
Winnipeg, Manitoba.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Friday, April 15th, 1927, for the right to cut the Pine Timber on Townships 4-C, 3-D, 4-D and 5-D in the Mississaga Forest Reserve, District of Algoma.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie, Ontario.

WILLIAM FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto—Feb. 7th, 1927.

LAURENTIDE COMPANY LIMITED

Dividend Notice

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending March 31st, 1927, payable April 2nd, 1927, to Shareholders of record at the close of business March 17th, 1927.

By Order of the Board of Directors,

W. F. ROBINSON,
Secretary.

Montreal, Que., March 10th, 1927.

The City of Toronto Canada

is today issuing a prospectus inviting tenders on April 5th for an offering of $8,800,000 4½% bonds issued for various purposes. $3,050,000 are twenty-year serials, the balance thirty-year serials. All have a common anniversary date, viz. April 1st, and are payable in Toronto, London or New York, at the option of the holder. Prospectus will be furnished on application to the undersigned.

GEO. H. ROSS
Commissioner of Finance

Toronto, Canada, March 28th, 1927.

Canadian Industrial Alcohol Company Limited

Dividend Notice

Notice is hereby given that a dividend of thirty-two cents (32c) per share has been declared on the Capital Stock of this Company for the quarter ending 31st March, 1927, payable 15th April, 1927, to shareholders of record at the close of business 31st March, 1927.

By Order of the Board.

J. GIBSON LAWRENCE Secretary.

Pure Gold Manufacturing Company Limited

Toronto, Canada

Notice is hereby given that a dividend of FIFTY CENTS A SHARE on the paid-up Capital Stock of the Company has been declared PAYABLE FRIDAY, 15th APRIL, 1927, to Shareholders of record at the close of business on the 31st March, 1927.

By order of the Board.

J. C. JAMIESON
Secretary

Toronto, March 28th, 1927.

EST. 1867.

Kennedy Castings

Castings made to any size, in any quantities, from any casting metal. Kennedy assures satisfaction, prompt service and fair prices on your orders.

The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO.
Representatives at: Cobalt, Toronto, Montreal, Halifax, Winnipeg and Vancouver.

PURE QUEBEC MAPLE SYRUP and SUGAR

(Direct from sugary to Consumers)

Pure Maple Syrup—1 gallon.
Imperial tins... ......$2.25 per gal.
Pure Maple Sugar ....20c. per lb.
Terms—C.O.D. or 3% pre payment.

Leger L. Hardy, St. Basile, P. Q.

EXECUTIVE SEEKS APPOINT-POINTMENT

As Manager or Financial Director. He is a Canadian, at present Assistant to President of a large American Corporation and desires to return to Canada. Full particulars by addressing Executive, Box 16, FINANCIAL POST, Toronto, Ont.

POSITION WANTED

Young man, 27, honest and energetic, with matriculation and sales experience, desires to enter the advertising field with newspaper or agency.

Apply Box 20, Financial Post, Toronto.

THE FINANCIAL POST

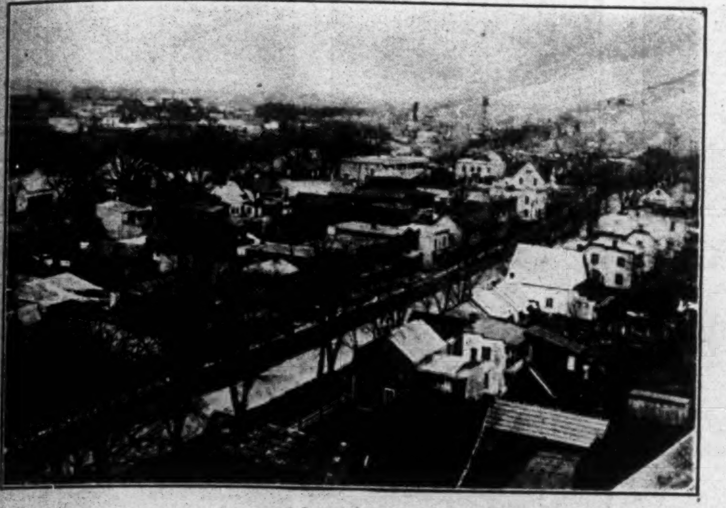
The Canadian Newspaper for Business Men and Investors

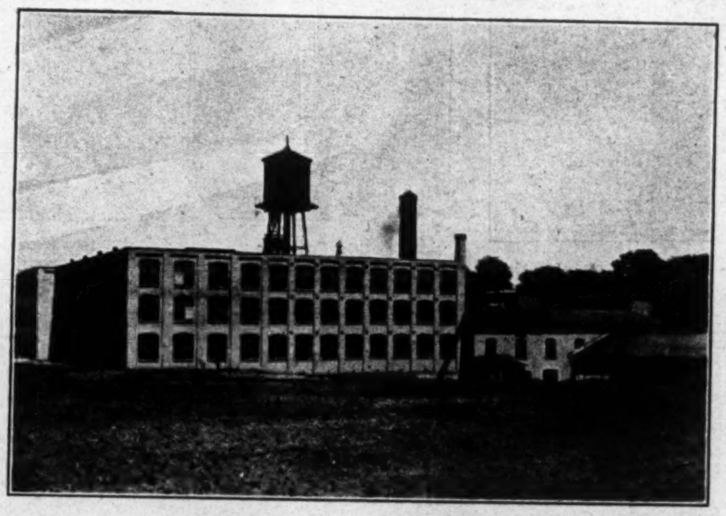
Special Section — Pages 17-22

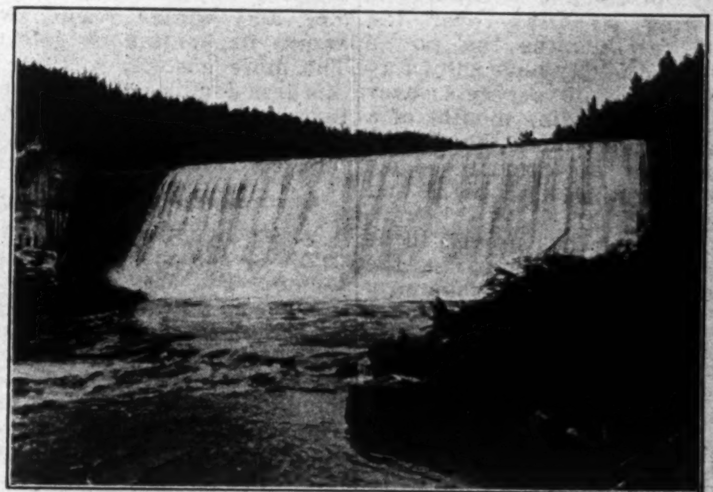
PUBLICATION OFFICE: TORONTO, APRIL 1, 1927

Special Section — Pages 17-22

ST. JEROME, THE NEW INDUSTRIAL CENTRE OF QUEBEC







Abundant power, sane labor and a pleasant city are the three chief factors responsible for the industrial growth of St. Jerome. The above three pictures personify these three fundamentals in the city's expansion. One is a partial bird's-eye view of the city, another is the Regent Knitting Mills, one of the larger St. Jerome plants, and the third is one of the power dams of the Quebec Southern Power Corporation which in part supplies the city with light and power. The last development is situated on the North River a little distance above St. Jerome.

City Commercial Centre of Expanding Territory North from Montreal

St. Jerome is Gateway to Growing Laurentian Area

RICH IN RESOURCES

Is Key City of Expanding Territory Northwards from Montreal — Future is Promising

Lying in a great crescent formation across the province of Quebec are the Laurentian Mountains, and the key centre to this area is the city of St. Jerome. Just how important is this territory is perhaps not recognized until it is remembered that perhaps one of the most paying sections of the Canadian Pacific Railway is its line connecting the Laurentian districts with Montreal. Within the past year, the Canadian National Railway also inaugurated a direct service between the Laurentians and Montreal, and the C.N.R., like the C.P.R., serves this district with a line running through the city of St. Jerome.

Big Tourist Centres

For many years, these sections immediately north of Montreal have been recognized as the tourist centres, both in summer and winter, but of late years expansion in other directions has been larger than is perhaps realized. Both railway lines run from Montreal direct to St. Jerome; there they branch and each serves a different area of this Laurentian section. Some years ago a highway was completed between Montreal and Mont Laurier; St. Jerome is situated also on this highway. It is estimated that traffic on this road has increased more than 6,000 per cent. since 1922. Directly north from St. Jerome lies Ste. Agathe. Lumbering and the manufacture of hardwood flooring is carried on at this point. Ste. Agathe has an elevation of over 1,200 feet above sea level, an increase of over 900 feet over St. Jerome in the distance of thirty miles.

Inexhaustible Resources

Near Ste. Agathe is St. Faustin, where lumbering and pulp operations are the chief industries. Northward from St. Faustin the elevation gradually decreases until Mont Laurier, which is 733 feet above sea level and 150 miles north of Montreal, is reached. Throughout the district there is an almost inexhaustible supply of timber and pulpwood, besides substantial deposits of silica and china clay. Tobacco raising is carried on extensively in some of the more southerly districts.

In the past, lack of power in sufficient quantity has prevented intensive industrial developments in this section, but this has been remedied by the Quebec Southern Power Corporation, which serves this section and which has shown a steady growth since its inception a few years ago.

Mineral Wealth, Too

It is, perhaps, not well known that there is a mountain of titaniferous iron near Ste. Agathe which has great commercial value to-day; the titanium is used in the manufacture of paint, whilst the by-product is pure pig iron. The availability of power in this area will probably mean that the exploitation of this ore may be profitably undertaken; the exploitation of titaniferous iron ore requires a large quantity of power which in the past it was impossible to obtain. This deposit is one of the three most important in the world.

Commercially, this whole district will show a steady growth. Mills in the Laurentide sections are reporting an increasing demand for building materials.

In Winter and Summer

The Laurentians are peculiar in that they are both a winter and a summer tourist resort, and hence, there is but little seasonal variation in the traffic to and from Montreal throughout the year. As a summer resort, it is unsurpassed and there is already a tremendous summer population. Houses range in value from small cottages to large establishments costing upwards of $100,000, and new large hotel projects are under consideration.

The Laurentian highway between Montreal and St. Jerome and the resorts immediately north of the city is an unsurpassed scenic promenade throughout its entire length. Adorned with pretty villages, it skirts and traverses innumerable lakes and rivers. The whole district is an ideal vacation land with excellent hotel accommodation.

Close to Montreal

The Laurentian mountains are easily accessible from Montreal and the heights are

(Continued on page 18)

Assessment $4,300,000, City's Size is Shown

The total property valuation of the city of St. Jerome as assessed by the municipality during 1926 amounted to $4,279,265. To make up this figure, assessable land was valued at $674,865 and assessable buildings at $2,219,800. Non-assessable land was valued at $90,300 and non-assessable buildings at $618,000. Temporary non-assessable land was valued at $15,300 and temporarily non-assessable buildings at $661,000.

ST. JEROME OFFERS PREMIER POSITION TO BRANCH PLANTS

"Labor Question" is Non-Existent in City — Ample Power

LOCATION STRATEGIC

In the past many U.S. and British manufacturers have erected branch plants in Canada and to-day there are many other manufacturers who are considering a similar action. Briefly, the reason why these branch plants have, and are being built in Canada include the possibility of developing the Canadian market; the Imperial trade agreements and agreements with other nations; an immense supply of Canadian raw materials, which, because they are in many instances situated close to the plant, make for low costs; the cheapness and availability of either power and fuel in all parts of the Dominion; the fact that investments made in Canada today will enhance in value as land prices increase and as home markets and foreign markets grow; and finally labor conditions, which throughout the Dominion are satisfactory, and which are most satisfactory in the province of Quebec. There are without doubt, many United States manufacturers who are studying the possibility of erecting plants in Canada and who are keenly alive to the advantages which the province of Quebec offers. To these, the city of St. Jerome offers special allurements for the investment of capital.

Manufacturers who are interested in the development of Canadian and British Empire markets will undoubtedly be attracted and influenced by the combination of circumstances and the geographical location which has already made for the establishment of many successful industries at St. Jerome.

The city is located just north of the island of Montreal—the undoubted centre of commerce, finance and industry in the Dominion. It is situated also at the gateway of the Laurentians from whence come many of the raw products used in its plants. Plants located in St. Jerome obtain practically the same shipping advantages as those of Montreal, but with which is combined lower overhead costs and lower cost of living for the employees.

Another advantage enjoyed by St. Jerome which affects both the householders and the manufacturers is the ample supply of electric energy provided by the Quebec Southern Power Corporation. The transportation facilities of the city are excellent. It is served by two first class railway stations running fast direct trains to Montreal. By train, motor or bus, St. Jerome is within an hour's reach of the premier ocean and inland waterway port of the Dominion.

What St. Jerome Offers Industry

Unexcelled railway facilities.

Excellent facilities for water shipments through Montreal.

Abundant skilled and sane labor.

Sound municipal government.

Abundant power.

Production may be shipped by truck.

Combined urban and suburban advantages.

Adjacent to raw materials.

Suitably located to devolop both domestic and foreign markets.

Proximity to Canada's metropolis.

Low rentals and low cost real estate costs.

Recreational facilities for employees.

Growth of Industry in St. Jerome Based on Many Favorable Factors

Ample Power, Strategic Location and Unsurpassed Transportation Facilities Are Fundaments Contributing to City's Growth

MANUFACTURERS' OVERHEAD COSTS LOW

General Situation Surrounding City Assures Steady and Continued Growth — Many Industries Now Established

During the past ten years there has been a remarkable increase in the industrial development of the city of St. Jerome, P.Q. There are many factors which have contributed to this growth, but perhaps two of the more important are the strategic location of the city and the water power obtainable both within the city limits and from adjacent power sites.

The location of St. Jerome is such that it is within an hour's run by train, motor bus or motor car of the largest port in the Dominion, namely, the city of Montreal. Thus, to-day, some of the products of St. Jerome mills, notably the footwear manufactured by the Dominion Rubber Company, is sold in all the markets of the world. Its location is such that companies with head offices in Montreal and mills in St. Jerome, are not handicapped by having the mill removed from the head office, for telephone communication is cheap and practically instantaneous. Goods can be sent from the plant to head offices in Montreal within the hour and thus mill superintendents are in the closest contact with the head office executives located in the nearby metropolis.

Within City Limits

As has been said, the existence of numerous water powers actually within the city limits is another fundamental factor which has been responsible for the establishment of St. Jerome's many successful industries. There are no less than nine plants located in the city which own their own water power and use the power developed to operate their plants. There is still an undeveloped power site with a potential capacity of 300 horsepower available for an industry desiring to locate in the city.

The nine plants which use the waters of the North River to operate the wheels of their mills, have their water power plants loaded to capacity—but to take care of peak loads or for a base load, the lines of the Quebec Southern Power Corporation, which operates four hydro-electric plants, can supply ample power. Thus, the city is in a strategic location both in the matter of easy transportation facilities and power supply.

The city of St. Jerome is the county town of Terrebonne and thus it is the centre of activity for the surrounding districts in addition to being the gateway to the Laurentian area. Every Saturday morning, farmers throughout the country gather at the market and the cost of living compares more than favorably with any other portion of the province. All kinds of food products can be obtained at low prices. This in part accounts for the sane labor conditions which prevail in the city. The province of Quebec is, of course, noted for its sane and for its satisfactory labor, but here in St. Jerome, due to the low cost of living, all employers maintain the most cordial relations with their employees. The satisfactory labor situation is another of the magnets which has attracted industry to St. Jerome.

Excellent Labor Conditions

Labor conditions throughout Canada are generally satisfactory; but it is in the province of Quebec that one finds the most satisfied and contented labor conditions in the Dominion. In Quebec, labor is as efficient and as intelligent as any other part of the world; moreover, it is not subject to the agitations which so often affect labor in other sections of the North American continent.

Any industry, which is prepared to deal fairly with its employees, can be assured of an abundance of good workers in any location in the province of Quebec, provided, of course, that the establishment of that industry is commercially justified.

City Naturally Participates

St. Jerome, naturally, participates in these satisfactory conditions which prevail throughout the whole province, but in addition, the attractions of the province are perhaps intensified in St. Jerome because the city offers manufacturers the type of skilled labor which it is often impossible to obtain in small communities. The reason for this is that such skilled labor can easily be obtained within the hour from the city of Montreal. In addition, as Montreal is the funnel from which pours the stream of Canadian immigration, it is also possible to obtain the type of skilled artisan who is to be found in all continental cities, but who is comparatively rare on this continent. When work-

(Continued on page 18)

Factory Sites at St. Jerome

C.P.R. station. Eagle lumber plant in background. Note valuable factory sites.

Growing Power Demand Met by Quebec Southern

Power Requirements of St. Jerome Have Increased by 50 Per Cent. Over Last Year — Quebec Southern Power Corporations Activities in Area Reviewed

Some indication of the mighty expansion which the city of St. Jerome is experiencing can be judged from the fact that the demand for power is growing steadily — over the past few months the power sales in the city have shown an increase of 50 per cent. over the corresponding months of a year ago. Plants in the city are operating at capacity—some are operating both night and day.

As power has proved to be such a vital factor in the growth of the city, a summary of the activities of the Quebec Southern Power Corporation which serves St. Jerome and the large surrounding territories is of interest. Moreover, there is more than a local interest in this corporation, for its securities have been widely distributed throughout Canada.

Owns Four Developments

The Quebec Southern Power Corporation owns and operates four plants and has a fifth plant under option. These five plants are located at St. Adele, St. Jerome, Rawdon, L'Annonciation and St. Donat. The developments have a present capacity of some 6,000 horsepower, with construction work on the plants completed for an ultimate capacity of 8,250 horsepower. It is the intention of the corporation to increase shortly its ouput by 4,000 horsepower. Thus, within the year, Quebec Southern Power Corporation will probably be developing a total of 10,000 horsepower.

The Quebec Southern Power Corporation came into being in 1925 as a merger of some of the hydro-electric properties in the territory it now serves. One of its plants is still operated under the name of a wholly-owned subsidiary, the Laurentian Hydro-Electric, Limited. The corporation is steadily augmenting its services in the city of St. Jerome and will shortly erect a large sub-station and a new office building there. Thus, the industries of St. Jerome are assured of an ample supply of power, for it is the corporation's policy to maintain a surplus supply adequate to take care of the growing requirements of the industries in the territory.

Centres on St. Jerome

The area served by the company centres on the prosperous city of St. Jerome and comprises the old-settled and rapidly-growing sections of the province of Quebec, beginning within ten miles of the city of Montreal and extending east as far as Rawdon, P.Q., and northwest to St. Faustin. This section includes Ste. Agathe—the immensely popular summer and winter resort of so many Montrealers.

The corporation is steadily enlarging its system and it can continue this policy indefinitely, for the water powers which it controls have available a supply of 90,000 horsepower. The power plant at St. Donat is under option to the corporation. The distribution system consists of 175 miles of high tension transmission lines and 100 miles of secondary lines. In addition to its own development, the company has entered into an agreement with a neighboring power company to exchange power if necessity arises. Among the towns served by the Quebec Southern Power Corporation are St. Jerome, Ste. Agathe, St. Faustin, Shawbridge, Rawdon, St. Lin, St. Jacques L'Achigan, St. Adele, St. Marguerite and Mont Rolland. These and the other communities served are showing a good yearly growth and new construction is apparent everywhere.

Has 100,000 Population

The territory served has an area of approximately 6,000 square miles, with a population in excess of 100,000. This whole area centres on the city of St. Jerome, from which St. Jerome derives much of its prosperity. The proximity of the territory to Montreal, its industrial opportunities, abundant raw materials, particularly hard and soft woods, and growing popularity as a summer and winter resort, will assure its continuous growth. The more easterly sections of this area comprise a prosperous farming community, devoted principally to the growing of tobacco.

Customers Are Increasing

At its inception in 1925, the company served but 1,600 customers. By May, 1926, the number had increased to 3,714. At the close of the year there was a total of 4,508 customers, and by the end of 1927 this number should reach 6,000. The corporation serves various municipalities, generally under an exclusive franchise, usually for a term of ten years, renewable for a similar period. In effect, these are perpetual franchises, as the law prescribes a ten-year limit.

Not only is the Quebec Southern Power Corporation improving the power service in the St. Jerome area, but also the provincial government has already authorized an expenditure of over $500,000 to dam the head waters of the North and the Ouareau Rivers, and data covering the storage possibilities of both these rivers have already been compiled by the Quebec Streams Commission. Such conservation will obviously increase greatly the potentialities of the present developments and the value of power sites throughout the area.

CITY COMMERCIAL CENTRE OF EXPANSION

(Continued from page 17)

dotted, both summer and winter, with tourists, not only from Montreal, but from the United States. With the activities there constantly on the increase it is little wonder that the thriving young city of St. Jerome has doubled its population in the past ten years, for it is the gateway of the Laurentians. Because of its strategic location it naturally obtains much of the business of the growing municipalities in the territory. The city of St. Jerome is the centre of activity in this section and, while it derives substantial benefits from the tourist traffic, the general activity in the adjacent districts has turned St. Jerome into one of the important manufacturing points in the province of Quebec. The city is just thirty miles north of Montreal and the two railways, coupled with auto bus service, ensure fast and satisfactory transportation facilities to the Dominion's metropolis.

More Than Power Sites

In addition to its innumerable water power resources, the area around St. Jerome and the larger territory which classes St. Jerome as its commercial centre, have much in the way of natural resources. Every kind of timber is available. Much pulpwood goes to the paper mills and the supply of hard woods also attracts industries to this area in general and to St. Jerome in particular. In the territory in which St. Jerome occupies the key position there are some 50 communities, most of which are at present served by the lines of the Quebec Southern Power Corporation—the company which supplies light and power in this territory. The growth in activity in all these municipalities naturally tends to increase the growth and activity in St. Jerome itself.

Fine Community Spirit

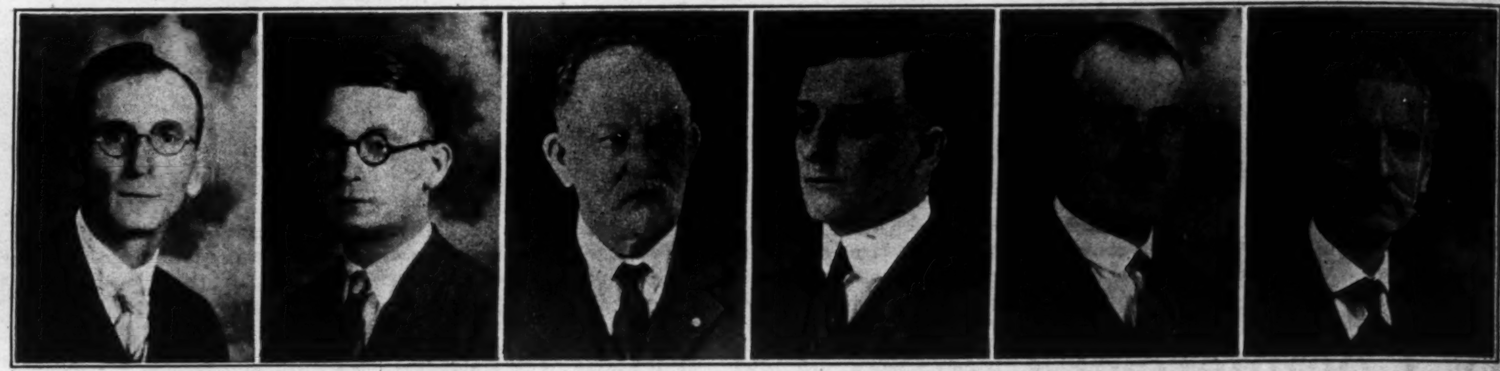
The city is favored in the possession of citizens with the welfare of their community at heart and there exists no doubt that the city will go forward to greater things. With the industrial developments progressing at their present rate there is no reason why five years hence it should not have the population of at least 15,000. Industries are more and more realizing the advantage of locating in such centres as St. Jerome, which can provide abundant power, satisfactory labor, and where the city itself provides every facility for the success of each individual project.

The Laurentian area has progressed much within the last ten years—it will progress more in the ten years to come. With its progress, who can doubt that the city of St. Jerome will not fail to make the satisfactory strides which are generally anticipated.

Mayor, Aldermen and Officers

City of St. Jerome

JOSEPHAT BASTIEN — City Engineer ATHANASE LATOUR — His Worship the Mayor J. ABSOLON LEGAULT — City Clerk A. P. LAPLANTE — ALBERT PREVOST



CLODOMIR SIMARD — LEOPOLD NANTEL — ADRIEN CLAIRMONT — ARMAND BRIERE — ODILE MILLETTE — F. X. MOREAU

St. Jerome Passion Play Attracts Many Thousands to Laurentian Centre

Play Capably Performed During Summer Months by 500 Reverent and Sincere Players Has Spread Abroad Fame of St. Jerome

One of the factors which has brought the city of St. Jerome into prominence is the annual production of the Passion Play. This stupendous effort on the part of the citizens commenced in 1925, and every Sunday for two months of the year the play is produced. This year it will be given each Sunday during the months of August and September, commencing at 1.30 p.m. and concluding at 9 p.m. Between 5.30 and 7 there is an intermission when the spectators have an opportunity of enjoying the fare of some of the excellent hostelries of St. Jerome, or of picnicking in the neighboring charming countryside.

One of the characters in the St. Jerome Passion Play—The Apostle John.

The St. Jerome Passion Play became a success at its first performance and is now an established institution, bringing thousands to the city on Sundays during the eight-weeks' period in which it is produced.

Is Immensely Popular

So popular has the play become that both railroads run special trains every Sunday from Montreal, and the roadways leading to the city are jammed with motor cars. If the weather be fine, it is no uncommon thing for 7,000 people to leave Montreal in the morning and spend the day in St. Jerome, returning at the conclusion of the sublime drama.

It speaks exceedingly well for the community spirit which exists in the city, that from a town of 10,000 it has been possible to select and to train competent actors to reproduce some of the main incidents and the action of the greatest drama in the world.

The Passion Players of St. Jerome produce the series of remarkable tableaux and sustain the narrative in a spirit of reverence and sincerity which leaves every member of the audience deeply impressed by the atmosphere of truth which prevails.

Wonderful Results Achieved

The wonderful results which have been achieved are astounding. But in this connection it is well to recall that those who produce the world-famous spectacle of Ober-Ammergau are simple natives and residents of that village, yet the faith and sincerity which they give to their task makes it great.

Therefore, it is obvious that an enterprising community such as St. Jerome could not fail to achieve success in its great effort. The factors which influenced Father Jean D'Avila Ethier, a vicar of the parish, to attempt the performance of "Le Salut de Monde" (The Salvation of the World) were the contented population and the picturesque locality of St. Jerome. Father Ethier arranged, himself, a paraphrase of the Gospel narrative of the Passion. He is a native of Montreal, a priest of culture, possessing the advantages of travel, and is also a musician of ability.

Start of Sublime Drama

Some years ago, to friends in Montreal, he confided his aspirations, and enlisted their sympathy and aid, and from the start organized in St. Jerome a special society for the production of the work.

From the outset, the idea received the warm approval and support of Father Ethier's ecclesiastical associates. Promises of assistance were freely offered and, as subsequent events proved, were generously carried out. Elders, youths and children were quickly seized with the spirit of the project and came forward to proffer their assistance without hesitation.

Some were cast for important characters, others for lesser ones, and whole hosts of men, women, boys and girls were enrolled as figurants to form the masses and the mobs of the inhabitants of the staged Jerusalem.

Their assistance further took the form of the construction of scenery and the making of costumes, the latter a stupendous item, when it is realized that the participants in the drama total 500 individuals.

Who the Players Are

Contrary to tradition, such as it developed at Ober-Ammergau, an advocate was chosen for the role of the Divine Master, while to a good housewife and matron was entrusted the role of the Virgin Mary. The sister of the priest producer was the first to assume the role of Mary Magdalene, and for the other char-

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GROWTH OF INDUSTRY IN ST. JEROME

(Continued from page 17)

ers are obtained in St. Jerome and its surrounding territory, these workers live, are housed and have recreational facilities of such a nature that the employees remain happy in their work and in their surroundings—they can afford comfortable houses at reasonable prices, educational facilities for their children are excellent and the city itself is attractive. All these factors combine to render non-existent any such thing as a labor problem in St. Jerome.

Excellent Educational Facilities

The educational facilities are unsurpassed, for the city possesses two parochial schools, one normal school, one convent and one commercial college.

The territory north of St. Jerome is rich in natural resources, and especially forest resources; this has resulted in the manufacture in the city of practically each and every kind of wood product which can be made.

All kinds of lumber is obtainable and forest products manufacturing run the gamut from woodware, sashes and doors, to high-grade paper manufactured by the well-known Rolland Paper Company. The J. C. Wilson Company also manufactures pulp. The Eagle Lumber Company is another outstanding industry.

Then, too, there is a foundry located in St. Jerome whose products are well and favorably known throughout the whole Dominion. This company is M. I. Viau et Fils. The company makes castings of any type, from drain pipes to locomotive parts.

Some Large Employers

One of the largest plants in the city of St. Jerome is the Regent Knitting Mills, which ranks second as an employer of labor to the Dominion Rubber Company's plant. The knitting mill is well known to investors throughout Canada, through its bond issue.

One of the outstanding features of St. Jerome and one which makes it attractive to industry, is the price at which satisfactory plant sites, located on the railroad, may be purchased. Moreover, the city council will make concessions to any industry desiring to locate in St. Jerome. For shipment by water, the industries in St. Jerome enjoy the same advantages as the manufacturer in Montreal, the national seaport for seven months of the year.

Can Export Products

The advent of the motor truck has annihilated the thirty miles separating St. Jerome and Montreal and has definitely established the city as a manufacturing centre with export facilities. This is one of the sure foundations for its future growth. St. Jerome manufacturers can, and do, take advantage of Montreal's fresh and salt water navigation facilities.

While the city affords many attractions to the capitalist for the establishment of industry, it is equally attractive to the working man, who, besides working under excellent conditions, is enabled to live in his own cottage at a short distance from his work.

However, the establishment of an industry in any locality is dependent solely upon dollars and cents. This depends on the economic solution of three problems; the assembly of raw materials, the distribution of the finished product and the supply of labor and operating costs.

Will Lower Overhead

The location of any plant affects its costs every day of the year and St. Jerome in many instances can provide manufacturers with lower operating and overhead charges through savings which can be effected on all three fundamental problems of manufacturing. St. Jerome is an ably managed city. Its waterworks are up to date and it maintains efficient police and fire departments; the latter is well equipped. It is only within comparatively recent years that the city of St. Jerome has gotten into its industrial stride, but this is in reality one of the most satisfactory points about the city, for it means that under present-day conditions, industry is realizing and taking advantage of the satisfactory situation which surrounds the city of St. Jerome.

ST. JEROME CITY IS ALWAYS READY TO AID INDUSTRY

Have Excellent Plant Locations — Industrial Situation Reviewed

There are many points that make the city of St. Jerome attractive for the location of plants. not the least of which is the attitude of the city council which stands ready to make reasonable concessions to industrialists desiring to locate factories within the city. At the present time, the city itself owns a factory site with rights on the undeveloped water power adjoining the site. This land is located on the east side of the North river at the northern end of the city about a mile and a half from the C.P.R. and C.N.R. stations, and about three quarters of a mile from the C.P.R. line.

In addition, there are many other suitable sites, some of which adjoin the railway and the river. The city is fortunate in being served by a large number of fast freight trains and way freights each day. The Canadian Pacific Railway operates five freight trains and the Canadian National Railway also operate a number of trains.

Labor in St. Jerome is plentiful, especially female labor, and wages run from about twenty-five cents to thirty cents an hour for unskilled labor. Industries which are considering the city of St. Jerome as a location for their plants will receive the co-operation of the city authorities and St. Jerome stands ready to grant an exemption of taxation for ten years to any serious industrial effort.

No Free Land Grant

While no village, town or city in the province of Quebec may grant land without charge to prospective industries, this difficulty is sometimes overcome by cities buying the land and conveying it to the new industry for a nominal amount. No doubt, St. Jerome might be willing to assist industries in some similar way.

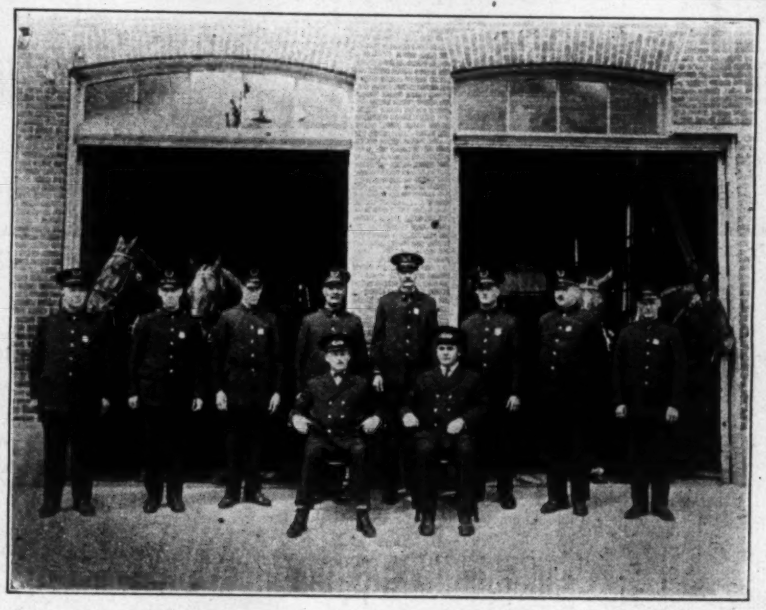
The city obtains ample power for its requirements, and its streets are well lighted with over 470 street lamps. Industries can obtain power at whatever voltage is required and up to any amount for a full twenty-four hours service if necessary.

The city employs ten policemen and firemen who live in an excellent fire station which provides ample fire protection for the city. St. Jerome is completely supplied with water and mains are laid in each street. The size of the mains is from six to ten inches and water is distributed to every house.

For industries and corporations, water is furnished through meters at the rate of 12.15 cents per thousand gallons plus a yearly rent for the use of the meter. The minimum rate is $8 per annum plus .24 cents per hundred dollars valuation of property occupied. This minimum is deducted from the reading of the meter. The water rates are payable semi-annually. Water is supplied to dwelling houses, stores and offices at $8 per annum plus a small yearly charge on the property valuation.

Some industries which would obtain great advantages by locating in St. Jerome, include the manufacture of cotton, silk, steel or artifical silk. As far as industry is concerned not the least of the advantages of the city of St. Jerome is the fact that there are no labor unions there.

Guardians of Public Safety



Fire and police protection is excellent at St. Jerome.

ST. JEROME DATES BACK 100 YEARS

Now One of the Chief Centres of the Province — City Government

The founding of the city of St. Jerome dates back a century, but until 1832 the present town was merely a mission; at that time it was created a parish by Bishop Plessis, of Quebec.

In 1837, upon the completion of the first church and presbytery, one of the outstanding figures in the history of the city, Rev. Georges Blyth, was appointed pastor of the parish. In 1856, the parish became a village and in 1881, a town. It became a city recently. St. Jerome is situated on the very first slope of the Laurentian Mountains, on both banks of the North River, 33 miles north of Montreal.

Its real development started in 1868 when another outstanding figure in the history of the town, Curé Labelle, began his great work of colonizing that whole region. It has been growing ever since. St. Jerome today is numbered amongst the important cities of the province and its picturesque beauty is admired by all tourists in the district.

Public park and post office.

City Government

The city government consists of a municipal council of one mayor and eight aldermen, two for each of the four wards. The present mayor is J. A. Legault, jeweller, and the aldermen are: F. X. Moreau, Odile Millette, Armand Briere, Albert Prevost, Adrien Clairmont, Clodomir Simard, Josaphat Bastien and Leopold Nantel.

The city is closely in touch with the chief centre of the province through the two railway lines and the national highway from Montreal to Mount Laurier and an efficient bus service between Montreal and the city. It has three first-class hotels which guarantee perfect comfort to visitors.

Quebec's Ideal Industrial Location

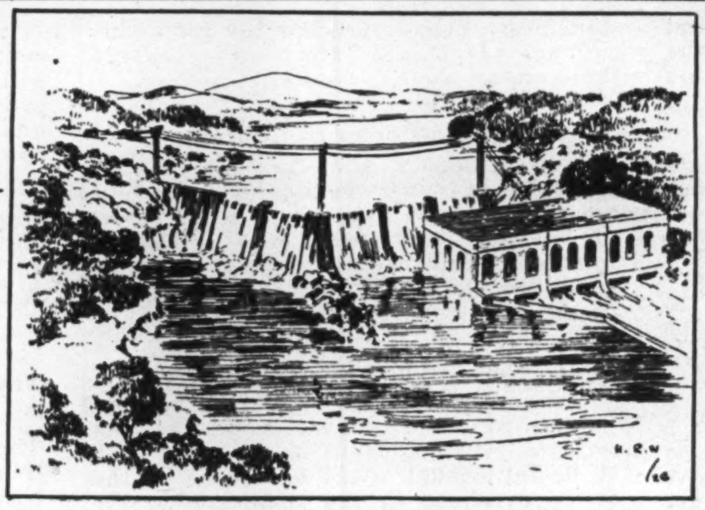
Sane Labor - Excellent Factory Sites - Cheap Power

Adjacent to Canada's Seaport Metropolis

Daily Growing in Prosperity and Popularity

VILLE DE ST. JEROME INCORPORÉE EN 1894

City of St. Jerome



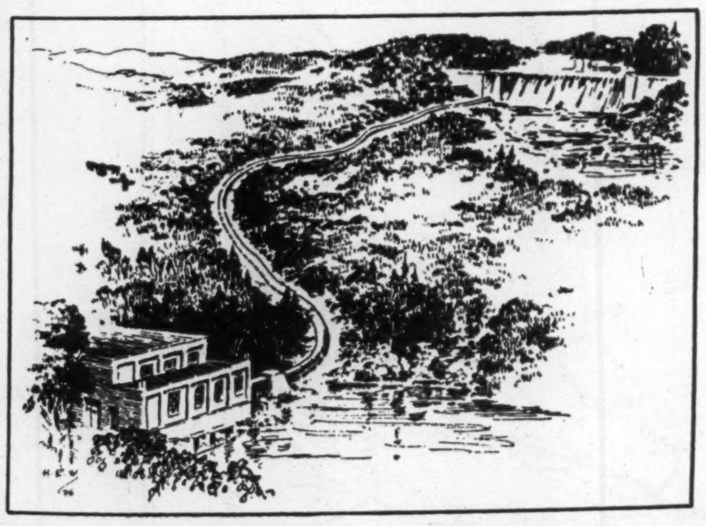
Rawdon Plant (as it will appear upon completion)

Hydro-Power for Saint Jerome Industries

Manufacturers can rely on a supply of abundant and reliable power at reasonable rates together with the fullest co-operation of our Industrial Department to promote their interests.

89,000 h.p. is the ultimate to be developed in the district of which Saint Jerome is the logical industrial centre. With the increase of the Rawdon plant, the present power output of the Quebec Southern Power Corporation will be 10,000 h.p.—a certain surplus of which will be available for new manufacturers.

LAURENTIAN HYDRO-ELECTRIC LIMITED



Mont-Rolland Generating Plant

Wholly Owned Subsidiary of

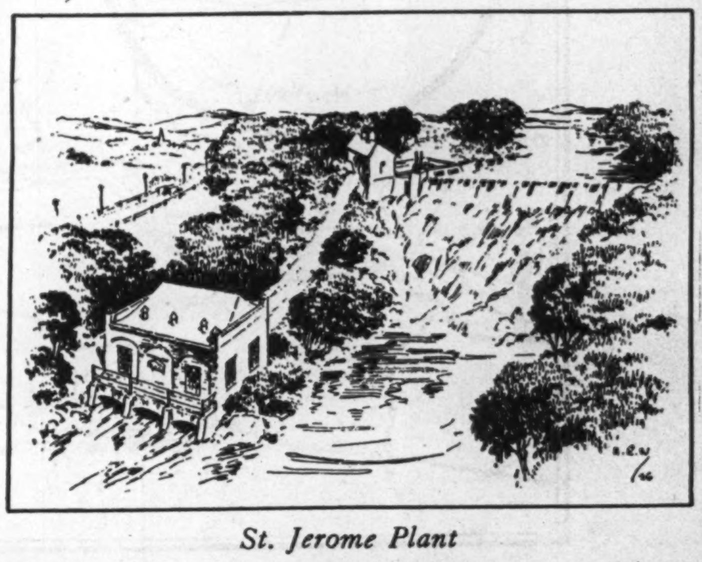
QUEBEC SOUTHERN POWER CORPORATION

For Full Information Write

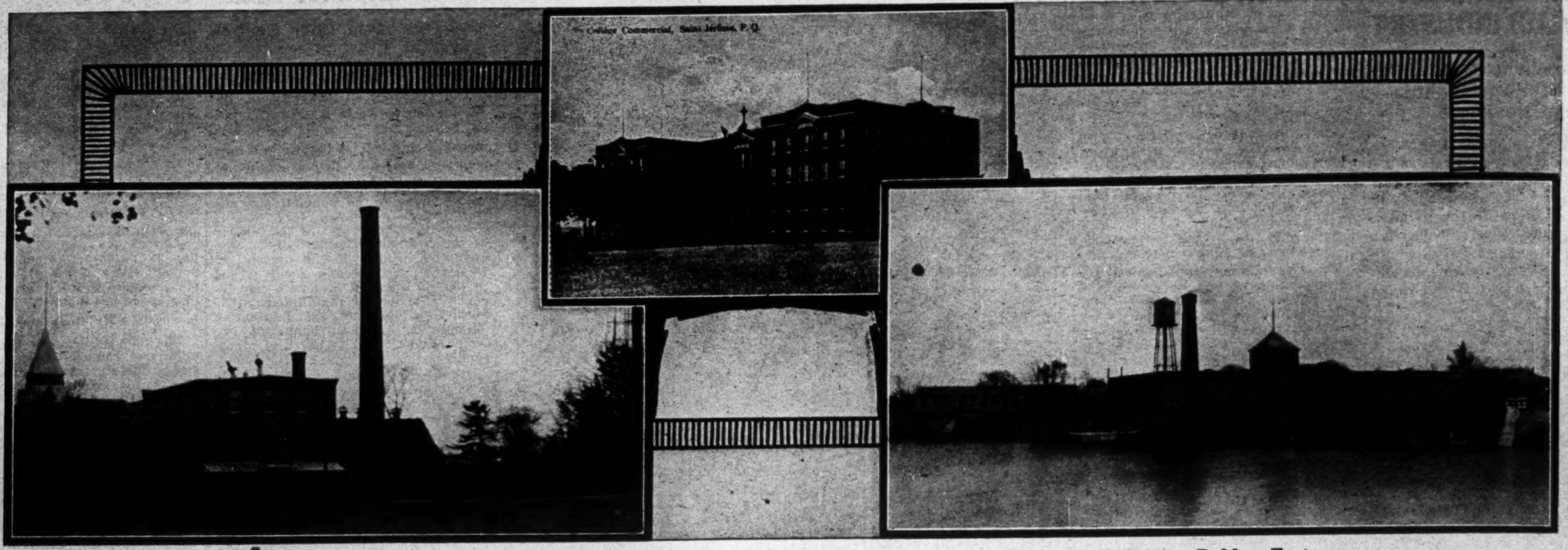
Industrial Department

180 St. James Street

MONTREAL, P.Q.



St. Jerome Plant



Rolland Paper Mills

Dominion Rubber Factory

"SUCCEED IN SAINT-JEROME"

An industrial and distributing centre providing essential factors for manufacturing success.

INDUSTRIALISTS both in Canada and the United States concede that the Province of Quebec holds an enviable position with its many factors that are attractive to industry.

And no part of the Province offers greater opportunity for industry than does the City of Saint Jerome.

Manufacturing success depends on certain essential things. Good management there must be of course. But external to this there are elements which promote or retard the steady growth of an industrial concern.

Meets an Increasing Need

For example, many concerns can thrive better in a smaller city than in a larger one. And here Saint Jerome scores admirably. It meets the need of those industrial firms who realize that the improved living conditions to be found in Saint Jerome, as compared with the larger city's congestion, are assets which promote contented labor and, hence, greater efficiency.

Labor Par Excellence

Moreover, there are other reasons besides happy living conditions why Saint Jerome workers are so satisfactory. They are traditionally capable and industrious. They can be counted on both for skill and steadiness. They appreciate the good educational advantages Saint Jerome offers; these are an asset to industrial success.

Hydro-Power of Course

Saint Jerome is admirably served with hydro-power that is abundant, reliable and reasonably priced. The power resources in the vicinity total 89,000 h.p. Industries coming to Saint Jerome will find power needs well met. Householders also profit by the excellent electrical service.

Location is Compelling

The location of Saint Jerome is compelling to those industries which seek adjacency to important markets yet wish to be far enough away to benefit by the lower overhead in the smaller city, the lower taxes.

Saint Jerome invites your industry. Your analysis of the City's industrial advantages will convince you to accept the invitation.

Write, if you will, for further information to,

A. P. LAPLANTE, City Clerk,

City of Saint Jerome, Province of Quebec

Saint Jerome is a natural distributing centre for the Laurentian district. It is within easy trucking distance (33 miles) over excellent roads to Montreal — Canada's largest city. It is adjacent to many raw materials — especially hardwoods.

Both the Canadian Pacific and the Canadian National Railways meet Saint Jerome's transportation needs.

A Growing City — But Room for You!

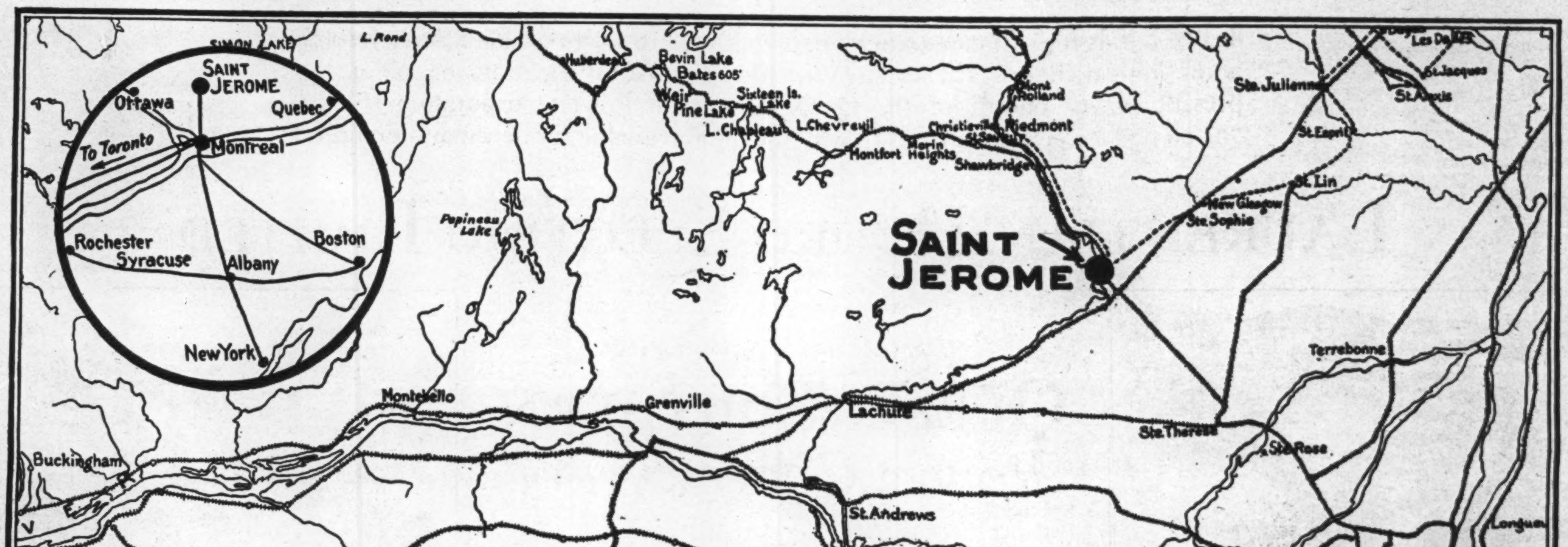
Saint Jerome is expanding rapidly. Its today's population is over 8,000, compared with that of 4,071 in 1914.

But there is room for your industry. That is literally true of Saint Jerome — there is for your industry an excellent factory site that will give you room to breathe and in pleasant surroundings which promote the best of work.

You can count on the co-operation of the municipal administration to your advantage.

Living — Not Just Existing

Manufacturers can appreciate that their locating in Saint Jerome means contented workers who live in the warm friendliness of a likeable community, who work all the better because they are content, who can educate their children to advantage.



Rolland Paper Started in St. Jerome in 1882

In 1882 the late Senator J. B. Rolland chose St. Jerome as the site for the first mill in Canada to make finished high grade bond and writing paper. Since that date the paper making plant has undergone a steady expansion and in 1912 the Rolland Paper Company acquired another mill situated on the North river several miles above St. Jerome.

Since its inception, the St. Jerome mill has concentrated entirely on the production of only the highest grades of rag paper. To-day, the equipment of the plant to produce only the best paper is unexcelled anywhere.

The acquisition of the second mill in 1912 at Mont Rolland made possible the production of all grades of bond, ledger and writing paper; for the second mill was equipped to produce paper made from stock composed of sulphite pulp and rags.

Each of the company's mills is equipped with two paper machines and it has a total daily production of 35 tons of paper, most of which is sold in Canada, but there is some demand from abroad also.

Unlike paper composed only of sulphite pulp, it takes at least three weeks to manufacture the rags into pure rag paper. The St. Jerome mill is equipped with the necessary "lofts" in which it is necessary to "cure" the best grades of paper.

Has Been Enlarged

Since it was first built, the St. Jerome mill has been repeatedly enlarged and improved to keep abreast of the most modern methods of paper making. Over 33 per cent. of the male employees of the mill have been with the company over twenty years, and 70 per cent. over ten years. There are a number of the employees too who have been with the company anywhere from twenty-five to forty years in all, which is a tribute to the administration and also to the labor in this district. In all, the company has some fifty employees who have worked in its mills for twenty-five years or more.

Three generations of the Rolland family have owned and operated the Rolland Paper Company. This is the tradition of long-established mills in old France, but is probably the only industry of its kind in Canada with such a record. The work of the founder of the mill was carried on by his two sons, the late Hon. J. D. Rolland and the present president, S. J. B. Rolland. The third generation is represented by J. P. Rolland who is vice-president; by John Rolland, general manager; Olivier Rolland, manager of the Mont Rolland mill, and Henri Rolland of St. Jerome.

Eagle Lumber Finds St. Jerome Attractive

Since 1912, the Eagle Lumber Company has been operating a mill in St. Jerome where the company employs about 100 men. The St. Jerome mill is but a single unit in the company's chain of mills, some of which are situated in the more northern Laurentian districts. The timber comes from the more northern mills to be sorted, dressed and finished at St. Jerome.

Some of the reasons why the company chose St. Jerome as a location for its mill includes the fact that it has there a large sorting yard situated close to Montreal and is in excellent position to fill rush orders. Then again, St. Jerome is located on the edge of the forests, and the company benefits by being in a central location and at the same time being adjacent to its raw materials.

The output of the St. Jerome mills finds a wide market with the majority of the timber being shipped to the United States, where it is sold all the way from Boston to Chicago. There exists a particularly large demand in Grand Rapids, Michigan, and in Cleveland; much wood is sold to the manufacturers of high grade motor car bodies. In Canada, the wood is sold from Quebec to Regina. One of the reasons for the wide market for this timber lies in the fact that the birch which grows in the Laurentians is the best obtainable anywhere.

In addition to its mill at St. Jerome, the company has four other mills, at Mont Laurier, Lac Saguay, Lacoste and Senneterre, P.Q. The Mont Laurier mill produces birch and the Lac Saguay and Lacoste mills, birch, maple and pulpwood. At Senneterre, P.Q., the mill produces lumber and pulpwood. The president and general manager of the company is J. S. Bock.

Fine Community Spirit Seen in Choral Society

The success that has attended the St. Jerome Passion Play gives witness of the extraordinary fine community spirit which prevails throughout the whole city. This spirit of co-operation and camaraderie is evidenced in many ways, not the least of which is the existence of the choral society of 150 voices.

To the man on the street, perhaps, St. Jerome is best known by the sterling musical achievements of this large and well trained group of singers. The choral society perhaps has done almost as much as the Passion Play to make the name of St. Jerome known throughout the Dominion. This is due to the fact that its excellent concerts have in the past been broadcast on the Canadian National Railways' two radio stations, CNRM and CNRO. Radio lovers throughout Canada will be glad to learn that the St. Jerome Choral Society will again be on the air during the latter part of Holy Week.

Other evidences of the community spirit of the city are seen in its two larger clubs, the golf club and its men's club.

The Jacks Manufacturing Co., of St. Paul, Minn., manufacturers of boiler cleaning compounds and floor polishes, which already has a branch at Winnipeg, is about to establish one in Regina.

St. Jerome Plants Known Nationally Include Many Familiar Names

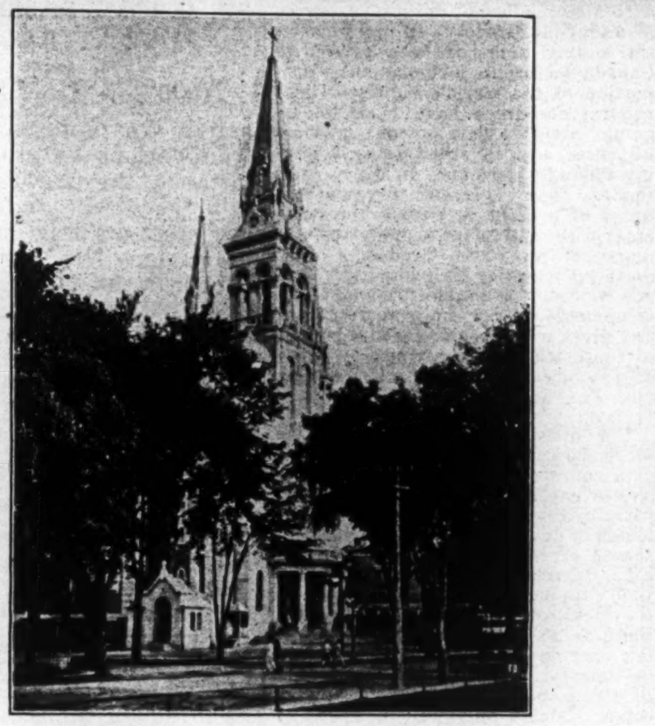
St. Jerome has many well known industries, chief of which are the Dominion Rubber Co., manufacturers of rubber goods, and rubber footwear, the Eagle Lumber Co., the Regent Knitting Mills, and the Rolland Paper Co. These four companies employ steadily in St. Jerome some 1,800 persons. The other plants in the city of any magnitude bring the total number of industrial employees up to well over the 2,000 mark. The Dominion Rubber Co.'s products are known throughout the world as is also the output of the Rolland Paper Co. The Regent Knitting Mills has had a successful career ever since its inception and the Eagle Lumber Co. is one of the outstanding organizations of its kind in the province.

Perhaps the next most important industry is the United Last Co.

Another forest product industry in the J. C. Wilson Co., which manufactures pulp at St. Jerome. Another well-known industry is the M. I. Viau et Fils, which sells castings throughout the Dominion.

The city has one sawmill, that of the Eagle Lumber Co. There are no less than five sash and door factories. The names of these plants are as follows: Elie Meunier, Armand Filion, Philippe Saumure, Durand et St. Aubin, and T. Larose.

Another forest products industry is the Phaneuf Manufacturing Co., makers of woodenware. There are two companies manufacturing cement blocks for construction and other cement products such as sewer pipe. These are La Compagnie de Produits de Ciment, and C. E. LaFlamme. Finally, another employer of labor in the city is the Quebec Southern Power Corporation.



Parish Church, St. Jerome.

Regent Knitting Mills Operates at St. Jerome

One of the larger companies which has chosen St. Jerome as a location for one of its bigger plants is the Regent Knitting Mills, a company well-known not only to the trade, but also to investors by reason of its bond issue which has been distributed throughout Canada.

The Regent Knitting Mills operates three plants, the largest in St. Jerome, P.Q., one in Montreal, and one in Guelph, Ontario. The last is operated as a subsidiary under the name of Regent Textiles. In addition, the company owns a substantial interest in the stock of the Regent Knitting Corporation which is situated in Syracuse, N.Y.

The company employs well over 500 persons at its St. Jerome mill where, during the last year and a half, many betterments have been introduced at the plant. In all, 1,440 spindles have been added to the equipment of the worsted spinning department there during the past year.

Some indication of the satisfactory results which the Regent Knitting Mills is achieving may be judged from the fact that severe competition has been experienced from this continent, especially in silk sweaters which are sold at a value which cannot be duplicated in this country, yet the earning power of the company is showing a satisfactory growth.

The output consists of a complete line in the knit goods field with the single exception of such products as hosiery and underwear.

The output of the company finds an excellent market in the Dominion and some of its products are also sold in export markets.

ST. JEROME SHOES LARGELY SOLD IN FOREIGN MARKETS

Dominion Rubber Company Plant Employs 1,000 People

The plant with the largest number of employees in St. Jerome is that of the Dominion Rubber Company. It employs over 1,000 persons and is devoted to the exclusive manufacture of rubber soled shoes. Incidentally, it is the only factory in Canada which produces solely this product. The plant's production is marketed under the trade name of "Fleet Foot" and is sold, not only throughout Canada, but also in world markets. Rubber soled shoes made in St. Jerome are sold all over the Empire and find also a ready market in many foreign countries, especially in South America. The plant commenced operating in St. Jerome some thirty years ago and since its inception it has experienced a steady growth.

Is One of a Chain

The St. Jerome factory is one of a chain of nine plants owned and operated by the Dominion Rubber Company. The company manufactures rubber goods of every kind from a baby's nipple to the largest conveyor belts and belting. It has a large production of automobile tires.

Four of the company's factories are located in Kitchener, Ont., and there is one each in St. Jerome, Montreal, Granby, Elmira and Port Dalhousie. The company came into being in 1906 as a consolidation of nine independent rubber companies. It is the largest company of its kind in Canada and one of the largest in the Empire.

The fact that the shoes made by the Dominion Rubber Company at its St. Jerome plant sell largely in very competitive world markets seems to indicate clearly that overhead costs in St. Jerome are as low as can be found anywhere else for this class of product.

It seems to be due to this that Dominion Rubber shoes from St. Jerome sell in competition with both U. S. and British made shoes in all foreign markets.

Many Well Known Men Among City's Mayors

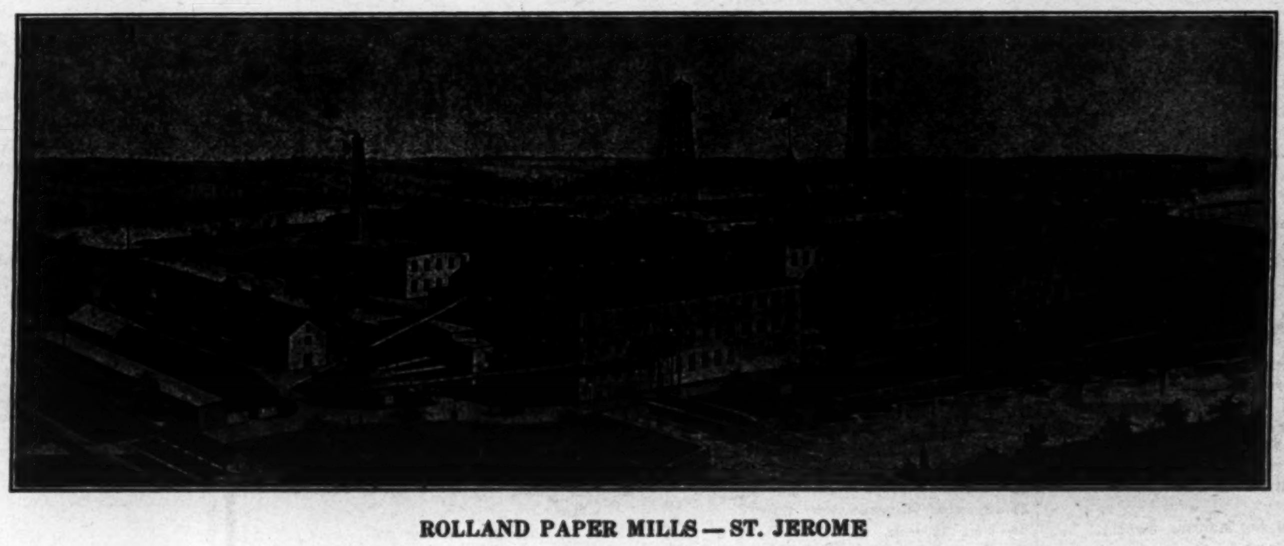
Some names well known in Canada, and especially in French Canada, appear in the role of St. Jerome's mayors. Here is the list of the city's chief magistrates since 1856:

Godfroid Laviolette	1856 - 1874
J. B. L. de Villemure ..	1874 - 1879
Godfroid Laviolette ...	1879 - 1882
Hon. J. B. L. de Villemure	1882 - 1885
Melchior Prevost	1885 - 1886
Chas. Godmer	1886 - 1887
J. H. Leclair	1887 - 1888
Godfroid Laviolette	1888 - 1889
J. H. Leclair	1889 - 1891
Charles Godmer	1891 - 1893
S. J. B. Rolland	1893 - 1901
Charles Godmer	1901 - 1903
W. B. Nantel	1903 - 1909
S. G. Laviolette	1909 - 1913
J. A. Legault	1913 - 1915
C. L. de Martigny	1915 - 1917
J. Em. Fournier	1917 - 1919
J. A. Legault	1919 - 1921
Rodigue Castonguay ..	1921- -1923
J. A. Legault ,........	1923 - 1927

Small Cash Surplus Reported By Alberta Treasury in 1926

A surplus on current account in the provincial treasury of $17,800 is announced by the publication of the public accounts for 1926, presented to the Legislature this week by Hon. R. G. Reid, Provincial Treasurer. The total revenue was $11,912,128.27, and the actual expenditure $11,894,327.74, leaving the balance of $17,800. The revenue received was in excess of the amount estimated at the beginning of the year by $212,275.88, while the actual expenditure was in excess of the estimated expenditure by $216,464.81. A saving of $126,570.71 was effected in ordinary expenditures over those estimated at the beginning of the year, but special warrants to provide for unforseen items, such as election expenses, interest on debenture debt and savings certificates, increased expenditure under the mother's allowance act, etc., amounted to $343,035.52, making the net over-expenditure above the estimates $216,464.81.

The actual cash surplus for last year was $220,000 but after taking care of unpaid accounts at the close of the year, the surplus was reduced to $17,800.



ROLLAND PAPER MILLS — ST. JEROME

Makers of Quality Papers in St. Jerome
Since 1882

The "R Shield" watermark identifies Rolland Papers and is widely and favorably known to paper users throughout the Dominion.

THE growth of the Rolland Paper Company is in no small measure due to the manufacturing advantages from its very beginning in the City of Saint Jerome.

Especial tribute is paid to the capable, skilled and steady labor whose consistent work is written into the successful history of the company, and is evident all over Canada in Rolland quality papers. A great number of the employees of this mill have seen ten, twenty, thirty, and a few even forty, years service.

The Rolland Paper Co. Limited
Head Office, Montreal
Mills at St. Jerome, P.Q., Mont Rolland, P.Q.

IN RECOGNITION of the industrial advantages of Saint Jerome, as one of the manufacturing firms which has progressed under these advantages, we are pleased to be on record in this Industrial Supplement.

REGENT KNITTING MILLS LIMITED
SAINT JEROME CANADA

UNITED STATES BRANCH PLANTS COME TO CANADA

St. Jerome Expects to Get More of These in Future

Among Canada's thousands of industrial institutions are many plants established as branches of United States and British firms. They employ Canadians, use Canadian raw material, and often invite Canadian capital to participate in their financing. They produce articles of commerce bearing trade names that have become household words in their home countries.

Canada has well defined advantages to offer the capitalist, whether in the establishment of a main producing organization or a branch plant.

During the next few years, as business tends upward in Canada, we may expect to see the further establishment of many Canadian branch plants of American and British concerns.

St. Jerome expects to get its full share of these new American branch plants.

Canadian Markets

Canada, with a population of 9,000,000 people and an annual revenue from all sources of $5,600,000,000, comprises a large and growing market for all types of products. It is a market of highly developed tastes and widely diversified wants. It is a market served by able and comprehensive transportation, banking and merchandising systems.

The Canadian market, for many reasons, can best be served from a factory in Canada. These reasons include transportation costs, tariff restrictions and Canadian sentiment.

The Canadian market itself is important justification for the establishment of a Canadian plant.

Foreign Markets

A very large part of the far-flung British Empire and a number of other important foreign markets can be effectively served from a Canadian branch plant because of tariff agreements between Canada and these other countries. Canadian products get preferred customs treatment in many countries, and the term "Canadian products" includes the products of American or foreign-owned branch factories in Canadian industrial centres.

The effects of these treaty arrangements in the development of Canadian industries have been noted in a multitude of directions, and the preferential treaties are there, offering opportunity for effective foreign trade development to all who are ready to take advantage of them.

Canada has been made by nature with a storehouse of natural resources of an infinite variety. In many cases, the supply that has been given to Canada represents a commanding proportion of the world's supply. These natural resources have been undergoing intensive development in some instances, and in other cases are lying virtually dormant. In every case, though, they represent the raw material of present or future industrial enterprise and offer attractions to manufacturers and producers that must be regarded as magnetic. Canada welcomes sane and reasonable development of her natural resources and gives every sound encouragement to those who will contribute of their energy or capital to such exploitation.

Power and Fuel

The question of economic motive force for manufacturing need never give concern to any industrial executive or capitalist. Where Canada has little hydro-electric power capable of low-cost development, it has vast reserves of coal of good grade and a high degree of accessibility. Where fuel supplies are lacking as part of the local array of natural resources, there is an abundance of hydro-electric energy, developed or unharnessed, sufficient to give complete assurance of cheap power for many years to come. Canada may well be proud of her resources in energy.

American and British capital, incidentally, have been vital forces in the development of power in Canada.

ST. JEROME PASSION PLAY ATTRACTS MANY

(Continued from page 18)

acters, the impersonators came from various walks of life. For instance, the first Peter was a tailor's cutter; Judas worked in a meat-packing plant, whilst others may be found at the bench, in the factory, or at the desk. All these individuals carry with them the most earnest desire to offer sincerely the impersonations with which they were charged, and that spirit overcame obstacles and resulted in the admirable performance which is now witnessed annually in St. Jerome, and which has spread abroad the fame of the city from the Atlantic to the Pacific. Tens of thousands have already come to St. Jerome to witness the play—in the future who knows but what they will come in hundreds of thousands?

Consists of 25 Tableaux

The religious drama prepared by Father Ethier consists of five acts and twenty-five tableaux, the events of the annunciation, the birth and the flight in Egypt being dealt with in a prologue of three tableaux. The principal events leading up to the crucifixion and after are shown chiefly by well-arranged grouping with sufficient narrative to tell the story. The promoter brought to his aid professional stage electricians, such help being really essential to obtain proper effects in lighting.

Good taste and no small artistic skill are displayed in the design and making of the costumes, which provide a wealth of color, so that strikingly effective pictures are obtained by judicious grouping of individuals; the triumphal entry into Jerusalem being a masterpiece.

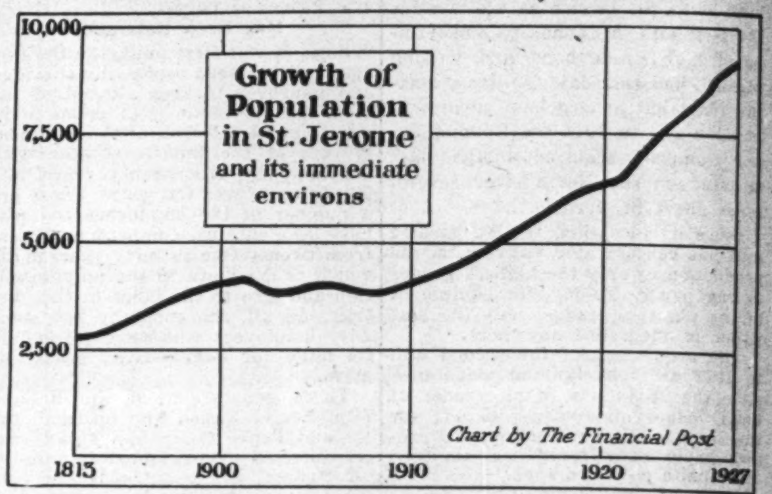
The play was at first presented in the open air, but is now housed in a large auditorium, so that weather conditions do not interfere with the productions.

Mecca for Sportsmen

St. Jerome of recent years has proved to be one of the attractive winter-outing resorts for residents of Montreal and surroundings. Ski-ing, tobogganing, skating and other winter sports are indulged in extensively. The town is surrounded with rolling hills, which offer an attractive inducement to winter-sport lovers.

In the spring and fall months, the district proves a Mecca for hunters from the larger cities of Quebec province, as well as from New York State and other American points. Moose, deer, and other big game are to be found within a short distance from the town of St. Jerome.

Rate of Growth of St. Jerome Population Shows Upward Move



In another five years, the population of the city of St. Jerome and its immediate environs should be in excess of 15,000 persons. That this estimate is conservative may be seen from the accompanying chart which shows clearly how rapid has been the growth during the past seven years.

Between 1894 and 1900, St. Jerome experienced a moderate growth, due no doubt in part to the growth of the lumber industry in the Laurentians. From 1901 on there was some decline caused perhaps by the decline in lumber operations.

In 1909, however, St. Jerome commenced a real growth which has continued and been augmented since that date, especially between 1920 and 1927. The chart reveals accurately the growth in the population of the city and its immediate environs, which only rightly may be included in the figures as shown in the chart.

In 1926 there were residing within the city limits 7,373 persons. At present, The Financial Post estimates the population residing within the city limits as 7,700 souls. To these must be added the further 2,000 persons who live just outside the city limits, making a total population to-day of 9,700 persons.

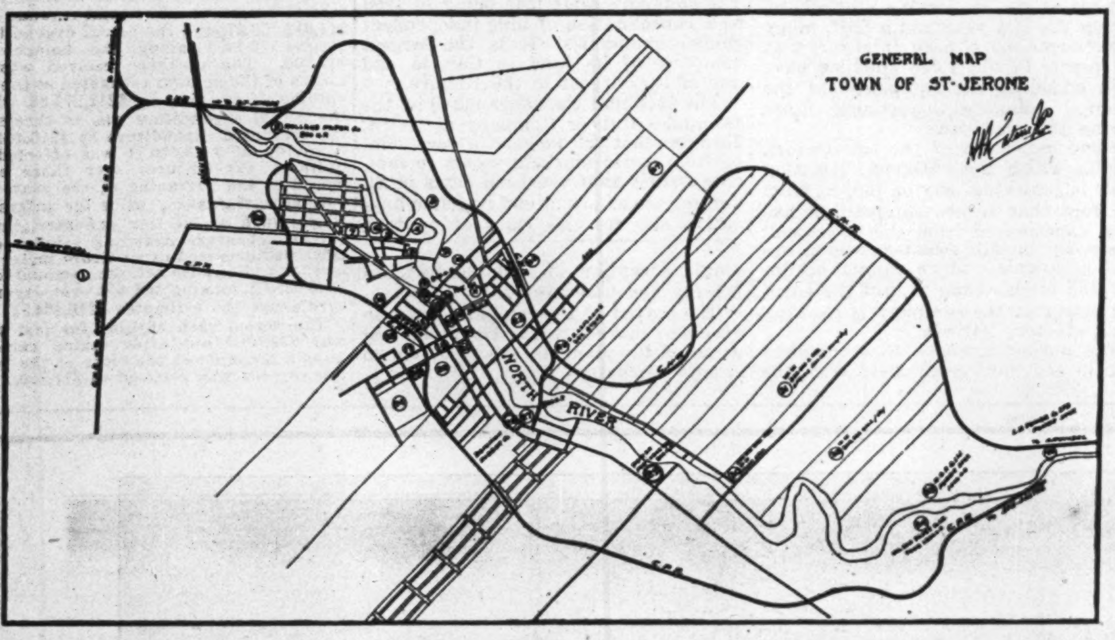
The Population Figures

The population figures of those actually residing only within the city limits over the past 33 years are interesting. They follow:

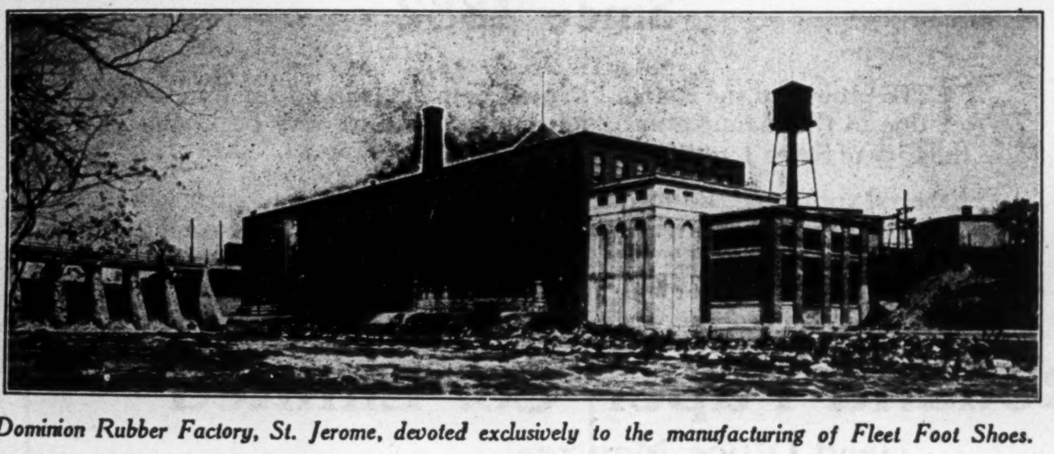
1894	2792	1911	3721
1895	2914	1912	3733
1896	3053	1913	3893
1897	3316	1914	4071
1898	3412	1915	4313
1899	3593	1916	4202
1900	3678	1917	4736
1901	3743	1918	4764
1902	3726	1919	5070
1903	3544	1920	5510
1904	3341	1921	5537
1905	3672	1922	5963
1906	3575	1923	6327
1907	3556	1924	6728
1908	3409	1925	7044
1909	3561	1926	7373
1910	3646	1927*	7700

* Estimated

Map of City Showing Chief Buildings



Key to Plan:
1—United Shoe Machinery Co.
2—Rolland Paper Co.
3—L. P. Saumure, sash and door factory.
4—Durand & St. Aubin, sash and door factory.
5—Armand Filion, sash and door factory and saw-mill.
6—Philias Poirier, sash and door factory.
7—School for boys and girls.
8—Elie Meunier, sash and door factory.
9—Jules & Omer Drouin, grist and saw-mill.
10—M. I. Viau & Fils (Alfred A. Viau, owner), foundry and machine shop.
11 and 19—Regent Knitting Mills.
12—City Hall.
13—Victoria Hotel (A. Maurice, owner).
13—Bank of Montreal.
14—Bellevue Hotel (A. Lapointe, owner).
15—Plouffe Hotel (Ed. Plouffe, owner).
15—Laurentian Hydro Electric Co., sub-station and office.
16—Eagle Lumber Co.
17—Regis Guenette, wood working factory (washing boards), etc.
18—Parish Church and Auditorium for Passion Play.
19—Regent Knitting Mills. See also No. 11.
19—La Banque Provinciale in Canada.
20—Post Office and Customs House.
21—Court House, Registrar's Office and Provincial Revenue Office.
22—Convent (Sisters of Ste. Anne).
23—Phaneuf Manufacturing Co.
24—Fair grounds.
25—Commercial College for boys.
26—Chas. E. Laflamme, cement blocks factory.
27—Dominion Rubber Co.
28—School for boys and girls.
29—Site for industry, owned by town.
30—Municipal waterworks, pumping station.
31 and 32—Waterworks: Springs supplying the town.
34—J. C. Wilson Pulp Mills.
35—Public Market and Fire and Police Station.
36—Laurentian Timber Products Co.
37—Cemetery.
38—La Compagnie des Produits de Ciment, cement products.
39—St. Jerome Golf Links.
40—Laurentian Hydro Electric Co., power house.
41—J. C. Larocque, carding mill.
42—Banque Canadienne Nationale.



Dominion Rubber Factory, St. Jerome, devoted exclusively to the manufacturing of Fleet Foot Shoes.

Saint-Jerome

HOME OF

FLEET FOOT

SHOES

the ideal shoes for sport or summer wear.

Made under ideal manufacturing conditions and known all over Canada for their quality and service.

DOMINION RUBBER COMPANY LIMITED

The Eagle Lumber Co. Limited

Sans-Dieu-Rien

BIRCH

Maple, Basswood and Spruce

EAGLE LUMBER SERVICE is maintained by four sawmills and two dressing mills.

Our vast sorting yard, a short distance from Montreal, keeps us supplied with a large stock of dry lumber for filling rush orders.

We solicit your enquiries for any of the above products in all grades and thicknesses.

Quotations on request.

THE EAGLE LUMBER CO., LTD.

***Head Office:* 90 St. James St., Montreal, Que.**

Saw Mills at:—
Mont Laurier, Que. Lacoste, Que.
Lac Saguay, Que. Senneterre, Que.

Dressing Mill, Dry Kiln, and Sorting Yard at St. Jerome, Que.

Trade Associations Are Sign of Modern Business Revolution

By MERLE THORPE, Editor, Nation's Business, Washington.

Tremendous changes are taking place in our industrial life. A peaceful revolution as dramatic as the industrial revolution of 1800 is under way. Great economic currents are driving new channels; a new day presents a new business landscape.

The great new force is group endeavor. The individual no longer relies alone on his own efforts. He is pooling his resources with others in mass activity. Labor early saw the advantage. The business man fights to-day for new markets and a larger share of the consumer's dollar through his trade co-operatives, and there are now 2,000 trade associations.

The British commission sent to study American methods was "amazed at the willingness of American business men to pool their resources and exchange experiences," in an effort to make their industry prosperous. Well might it be amazed; when the collective intelligence of an industry is launched into the fray, the result is a battle royal.

Material in Competition

The war of materials is on!

Oil and gas and coal are fighting for the job of heating the country. Electric refrigeration and ice are fighting for the job of cooling it. Wood and sheet steel, and cement and structural steel are at grips, while lumber and lumber substitutes are calling out the reserves.

You casually announce you are to build a house. You are not attacked by your local lumber dealers. Lumber as lumber competes with 57 varieties of other building material—brick, steel, hollow tile, slate, stone, and celotex. Twenty-two substitutes in one activity alone, promoting and selling, spent $30,000,000 last year through their organized associations. Nor is lumber asleep. The lumber industry is mobilizing a fund of $5,000,000 to tell us of the uses and value of lumber.

From the foundation to the rugs on the finished floors, you are besieged, not so much by men seeking to sell the same products as by those who urge concrete against brick, asbestos against cedar shingles, metal lath against wood, wallboard against plaster, linoleum against oak.

And the Battle Goes On

And when the house is ready to furnish, you much choose between rugs of cork or wood fibre as against cotton or wool; between rayon and linen for window drapes and table covers; between rayon and silk for bedspreads; between wood and steel for bedroom furniture.

Fill out the picture from your own observation.

And the war of foods is on!

Showing Us What to Eat

I attended a meeting of the United States Fisheries Congress at Philadelphia, and this industry voted $300,000—as an industry, mind you—to teach us to eat more fish and to eat fish, please, on other days than Fridays. On the following day, Tuesday, at Atlantic City, the Allied Baking Industry appropriated a similar sum to teach us to eat more white bread.

A week later, in Detroit, the Ice Cream Manufacturers' Association voted $300,000 to teach us to eat more ice cream.

Forty great food groups fighting for a larger place in the American stomach.

There is sauerkraut in battle array; green olives and ripe olives; bananas and oranges; prunes and oysters; canned salmon and whale meat; medicinal cookies and coffee and tea, with the United States Department of Agriculture coming up from behind, advocating rabbit meat. May every group win and no one of us get indigestion!

Use National Advertising

Thumb over the pages of any national magazine. You will find your local florist counselling you to "say it with flowers," and if the object of your affection is 2,000 miles away it makes no difference—the association has made it easy for you. Not single-handed does your florist speak to you, but, grouped with other florists, he increases his sales by promoting the entire industry.

On the next page you will find your jeweller—not single-handed, but with other jewellers—impressing on you that "jewellery is the lasting gift."

On the opposite page, quite likely, your hardware dealer, because of his affiliation with thousands of other paint dealers and manufacturers, tells you in no uncertain terms that if you "save the surface, you save all."

As you thumb through, you will learn the stories of California Redwood, Southern Pine, Southern Cypress; zinc; greeting cards; plate glass; davenports and wooden beds and iron beds; paving brick; slate; steel barrels; granite and marble; leather soles and rubber soles and composition soles; knit underwear, and nearly 100 other industries "group" selling and promoting their products.

Selling is only one of the twenty-odd weapons of this modern day warfare.

Across the Potomac a few weeks ago eighty men stood inspecting a piece of roadway. They were paving brick manufacturers. By grouping together and mobilizing the collective intelligence of the industry, they were able to lay an experimental road of 2½-inch brick, whereas the ordinary paving brick had been 3½ and 4 inches.

Effective Group Action

A test over six months, subjecting the road to the equivalent of fifteen years' normal use, was carried on under the inspection of the United States Government. The road stood up, and it is reported that the paving brick manufacturer has a 20 per cent. less material and freight cost in its competitive struggle than before. Group action is thus, by research and experiment, advancing industries, where it is well-nigh impossible for the individual to carry on.

And put a pin here; the small business prospers as a result of the group action. This is perhaps the most significant phase of the present-day revolution—it means the survival of the small establishment. His part of the expense of organization is slight compared with the big corporation which has its own research laboratories, its statistical experts, its tools of modern competition. And be it said, to the everlasting credit of American business, the big corporation is almost invariably in the forefront of organization work, stimulating and encouraging its smaller competition to join hands in a unified effort to make the industry greater and more prosperous.

Simplification is another weapon of the group.

The Weapons Get Results

Bedsteads, springs and mattresses have been reduced from 78 styles to 4; hotel chinaware from 700 to 160; brass lavatory and sink traps from 1,114 to 72; hot water storage tanks from 120 to 14; paving brick from 66 to 5, and in scores of other industries advantages have been gained in the greater competition by the savings of simplified practice.

Another weapon is uniform cost accounting, which makes possible another sturdy battle-ax—statistics. Statistics—you don't like the word. Neither do I. Let's call 'em facts.

Facts, detailing the daily operation of a business, are not only necessary to the success of an individual in these trying times, but make for more fun in the operation.

More important to-day, because of this group activity, are facts of the industry necessary to its proper conduct, and, it may be added, necessary to the well-being of the public. Uniform cost accounting makes facts of an industry possible.

Standardizing Depreciation

Furthermore, there are unexpected rewards to the industry which has uniform cost accounting and facts. One such industry has saved its members thousands of dollars by being able to set up with the Bureau of Internal Revenue a standardized percentage of depreciation.

What happens "when an industry starts to fight?" Ice manufacturers, representing a billion-dollar industry, faced with a new competition, took stock of facts, found 4,000,000 families with telephones and no ice-boxes; 8,000,000 families with automobiles and no ice-boxes. They set about to analyze markets, sell their product and service to customers, and increased sales of ice in one year by 8 per cent., despite the fact that the season was shorter and cooler than the previous year.

Organized effort did it. There was no other way. Unity of purpose, unity of action—and facts.

Arbitration is another weapon successfully used by groups which find themselves in blind and causeless and bitter conflict with one another.

Other group weapons are collective buying—witness department stores and chains; exhibits, such as the automobile shows; grading, and joint trademarks, as southern pine; bonding insurance, customs regulation, foreign markets.

Look at the dramatic picture of the automobile industry setting out to guarantee markets for its members by selling South America, and India, and other countries the idea of good roads!

So much for the promotion of new markets and the extension of old ones.

Protection From Within and Without

There is another definite objective of the modern-day trade association—the protection of the industry from within and from without. To list a few of the activities in this field: credits; collections; bankruptcy; frauds; commercial bribery; trade practices.

More than 100 associations have built and adopted codes of ethics, defining the hitherto twilight zone of practices in their particular industries.

Change is the order of the day. Stores on wheels, druggists selling sporting goods, tobacco shops distributing toilet articles—all symbols of the gigantic readjustment going on affecting every business man, big and little.

The Drug Store, But Why?

I gave my small boy $3.25 to buy a baseball mitt and bat. He bought them at a drug store.

The drug store manager tells me he is handling to-day more than 100 articles — other than drugs — which he did not handle five years ago.

I think it was Kin Hubbard who said that he had been living in a drug store now for six months and found it much more convenient than a hotel.

When anthracite was hard to get two years ago, I told my coal man that if he didn't quit sending me stone and rock, I should put in an oil furnace. He cautioned me.

"Only a passing fad," he said. But last week I received from him an announcement that he is now prepared to furnish me fuel oil.

My ice man, whom I had not seen since I installed an electric refrigerator two years ago, called on me recently with some alluring literature which eulogized the cake of ice.

Among other things, it declared, "the cake of ice needs no mechanic."

A friend invited me to look over his new home. Five bathrooms and no tile floors. Floors of a rubber composition.

I turned off the radio last night right in the middle of the farewell song of the Ipana Toothpaste Troubadours. "How much advertising business," thought I, "is the radio taking away from magazine publishers?"

The individual no longer fights a guerrilla warfare. He is lined up as a private in a well-organized army battling other well-organized armies for new and potential markets and a larger share of present markets.

Although there are a half-dozen trade co-operatives who celebrated, this year, their fiftieth anniversaries, it has been only in the last few years that trade associations have "found themselves" in this new scheme of things.

Unity of Action Essential

The trade association idea is simple. It is based on the premise that the collective intelligence of a group of men is greater than the intelligence of any one of the individuals and that unity of purpose and unity of action will carry an industry farther in its fight for prosperity than can be done by twice the effort expended at haphazard by individuals.

What is the moral?

The man engaged in business today must be alert as never before. Old-established houses three generations old pass over night. A new institution becomes national in a day. The business man must be alert, too, to find his group and to contribute his thought to the collective intelligence of the entire group, for the bigger campaign is waged to-day on a larger field.

The individual of yesterday is a sturdy private in the ranks, yet sits at the council table with the captains.

And—this is highly significant—the private is retaining in his competitive play within the industry, that individualism which has made to-day's industrial system great.

Compound Interest Bonds

Money invested in our Accumulative Bonds earns more than if invested in Coupon Bonds because the interest is COMPOUNDED half-yearly. This means that the investor receives interest on each half-yearly instalment of interest at the same rate as is allowed on the principal. At present these Bonds are being issued bearing the attractive rate of

5%

$390.60 invested in a "CANADA PERMANENT" ACCUMULATIVE BOND now will increase in five years to $500.

A pamphlet giving full information regarding these Bonds will be gladly sent on request.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street - Toronto 2

Assets exceed $50,000,000.

See Facts Instantly

"Office Specialty"—Acme is the simplest and most practical of all visible card record systems.

Facts and figures that are invaluable in the direct control of any business are available for reference—*instantly.*

"Office Specialty"-Acme has twelve exclusive, superior features over all card record keeping systems.

Let us demonstrate.

From Factory to You—Direct

Complete Line — Complete Service

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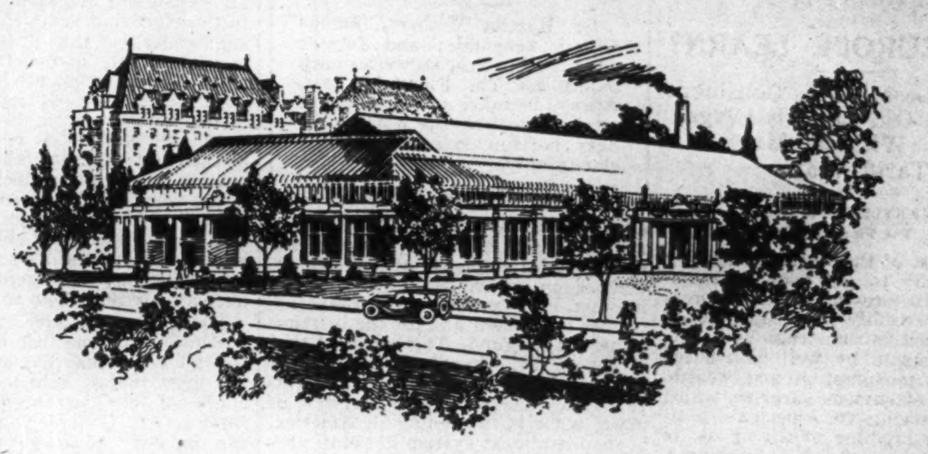
97 Wellington Street West, Toronto 282

Factories: Newmarket, Ont. Branches in Principal Cities.



One of our larger achievements

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Dr. Withers Agrees That Great Experiment Aids Prosperity

WILL EUROPE LEARN?

Another Lesson This Continent Teaches Old Land is Large Area Without Many Tariff Walls

By HARTLEY WITHERS,
Copyright, The Financial Post, 1927.

To the rest of the world, struggling unsuccessfully to get back to something like its pre-war scale of prosperity, the steadily proceeding activity of production and trade in America, accompanied by well distributed increase in consumption and wealth, is a source of envious surprise, which too often, owing to America's position as the creditor of all of us, is warped into a grudging bitterness. On the continent of Europe, especially, one finds the prejudice rife, which attributes all the growth and prosperity of the trade of the United States to the wealth which she acquired during the war at the expense of the European belligerents.

Undoubtedly, the folly of Europe's statesmen and populations which led them into wasting so many hundreds of millions on mutual destruction, put a very nice bonus into America's pocket, converting her almost in the twinkling of an eye, from a debtor country into the world's creditor; but this did not happen owing to a miracle or a mere stroke of luck, but only because America worked very hard to supply the warring dwellers in the Old World with articles that they required for purposes of mutual slaughter; and instead of cherishing childish bitterness about a matter which should be considered in the sane and steady light of business reasoning, it is surely better for the rest of the world to look at America's prosperity as a cause of hope and confidence to those who have enough intelligence to find out its real causes and imitate, adopt and adapt them.

What American Observer Sees

As to the real causes, they appear to be something of a puzzle even to the Americans themselves, who are by no means in agreement on the point. The question is discussed in a very interesting article in the March number of Commerce Monthly, the journal of the National Bank of Commerce in New York, by its economist, Dr. Henry Chandler. He points out the existence of a puzzling conjunction of events—a downward movement in the general commodity price level in spite of the existence of "excess credit," pressing for employment; high profits made by industry in spite of the fall in prices accompanied by the maintenance of extraordinarily high wage levels, "resulting in a spread of nearly fifty points between the wage level in manufacturing industries and the cost of living"; and the beginning and maintenance of this period of activity and prosperity at a time when the buying power of the rest of the world was impaired and that of the American farmer was at a low ebb.

The principal solutions of this puzzle that are put forward in America are classified as follows by Dr. Chandler:

1. Arrears of construction held up during the war period.
2. The automobile development.
3. The action of the Federal Reserve system, especially with regard to its wise control of credit.
4. Cheap money, stimulating business activities and
5. New ideas in American industry, producing "something akin to an economic revolution."

It will be noted that Dr. Chandler does not mention America's war-gotten wealth at all in his list of reasons for her present prosperity. Outside observers will probably be inclined to criticise this omission. It is easy to make too much of it, but as a factor in a very interesting position it surely ought not to be ignored. The actual payments so far received have been so small as compared with the total volume of American production that they are only a ripple on the surface of a mighty ocean, but the fact that America took back, in payment for war material shiploads of her own securities on which she formerly paid interest, sets free her own production for her enjoyment and for the increase of her capital fund. Another point that is not on Dr. Chandler's list, though it is much in the mouths of thoughtful Americans who come and tell us about what is happening in America, is the instalment system of retail purchases, which has, as all men know, been lately developed to an extent which is making some conservative people shake their heads. Its dangers seem to me to be a good deal exaggerated—short of a panic and depression on the old-fashioned scale—but the fact that so many consumers in America are spending now what they are going to earn some day, provides an artificial stimulus to buying power which helps present prosperity and might accentuate depression if and when it comes.

> **Withers Writes One Article Each Month**
>
> Dr. Hartley Withers, famous British economist and former editor of the Statist, writes each month for The Financial Post. Always he takes some subject of vital interest on the world business horizon and discusses it clarifyingly.

Traced to Great Experiment

Dr. Chandler, however, after an examination which is well worth study in extenso, of the first four causes alleged, decides that though all have their importance, none of them sufficiently accounts for the fact of high savings, high wages and high profits all expanding together, and inclines to the view that some more basic reason underlies the present business movement. He quotes the opinion of a German economist long familiar with American conditions, that what is happening now is the result of a "capitalist and social revolution" and an attempt "to give all classes possessing no capital an increasing share in the benefits of modern civilization." "This," says the German observer, "is the great experiment which America is now making and its success or failure will have far-reaching consequences for the whole world."

Here, then, we have something like a solution and one that is full of hope for all countries that can profit by the light that is held up to them. A chain of circumstances, lucidly set forth by Dr. Chandler, obliged American industry to face the difficulties produced by the collapse of 1921, wages that appeared to be economically impossible, price cutting at home and the prospect of fierce competition from abroad when Europe began to cry to pay its war-debts, while at the same time the low prices of farm products crippled the buying power of an important section of the population. American industry met the situation by efficiency of management, technical improvements, and labor-saving machinery. The consequent improvement in efficiency and reduction in production costs enabled it to compete abroad successfully, while high wages enlarged the domestic market. In order to imitate this achievement industry on this side has to work together instead of quarelling. Can it do so? Also, Europe has to try to provide herself with something like America's enormous customs-free area. Will the coming Economic Conference show the way?

WINS APPEAL ON INCOME TAX CASE

Paper Profit Without Real Net Gain is Not Taxable Decides Court

Walter S. Stout, Toronto, has been successful in his appeal from the decision of a lower court in which he was held liable for civic income tax for dividends received by his brokers on stock held by them under lien or contract.

The decision of Justice Hodgkins in the appeal court reads as follows in part:

"The appellant never acquired more than a qualified interest in the shares or dividends. He certainly never received the dividends directly, nor did he receive them indirectly in my judgment within the meaning of the definition. They never were his at all. Merely crediting his account with them did not entitle him to them and gave him no control over them but that is not the test."

Justice Orde, in a separate judgment, says that the city's contention completely overlooks two essential elements in what constitutes income, namely, the fact that there must be "profit" and "gain," or something of that nature.

Stout had bought stocks on margin through brokers and the dividends paid while the stocks remained on margin were applied to the purchase price due by Stout.

There is some uncertainty as to whether this decision wipes out the assessment altogether or whether it is reduced to $1,371.40. It is the question whether the appellant is taxable on the balance of dividends over interest as shown by the accounts for the year notwithstanding that the accounts have not been closed and the dividends paid over, or is not assessable at all so long as the brokers' lien for principal and interest still holds against the dividends.

Pulp and Paper Exports Drop

Exports of pulp and paper in February were valued at $12,976,965, which was a decline of $470,000 from the January total and of $320,000 from the total for February, 1926.

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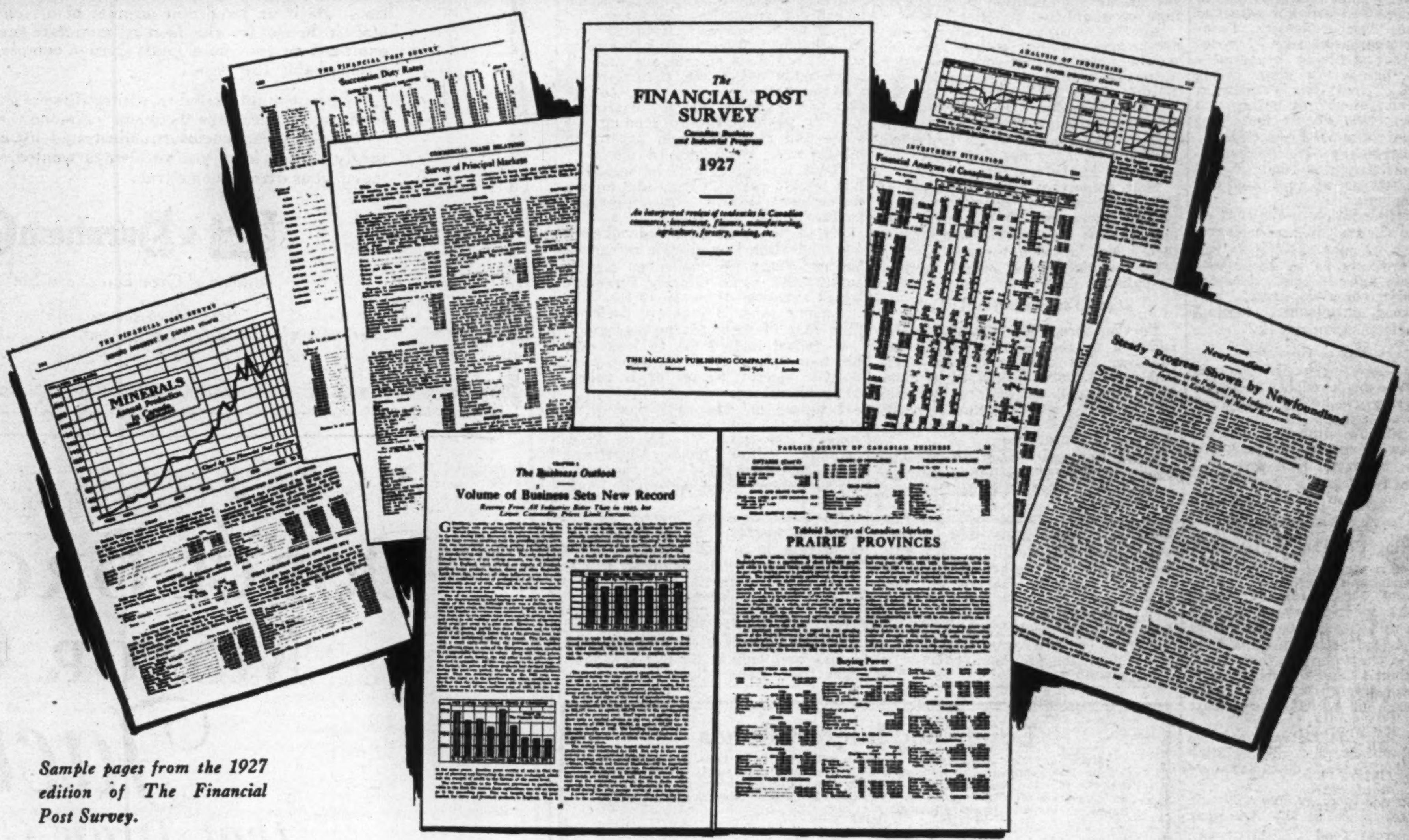

Sample pages from the 1927 edition of The Financial Post Survey.

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The Canadian Newspaper for Business Men and Investors

Pages 25-40 PUBLICATION OFFICE: TORONTO, APRIL 1, 1927 Pages 25-40

Loan Companies Now Enter New Transition Era

Narrowing Profit Margins Raise New Problems in Field

MORE ABSORPTIONS

Absorption of Smaller Companies by Larger Ones is Attempt to Distribute Overhead Cost

Canadian loaning institutions are in a transition period. For the loan companies—as distinct from the insurance companies and trust companies—it is, by some observers, viewed as a period of consolidation. Narrowing profit margins have brought the companies face to face with new problems.

At one time, the loan companies of Canada depended to a very large degree upon foreign and British sources for the money that they put out on loan in this country; that they invested in farm and city mortgages. These sources of funds have become decreasingly important. Old timers in the mortgage business in Canada find it hard to adjust themselves to a situation where British funds are actually more costly than funds raised at home through the sale of debentures and the taking of deposits. Yet that is the situation to-day. It is not possible now to place debentures in Scotland or England at less than 5 per cent. Even this figure must now be increased to attract British money. The next "term day" on which the five year debentures maturing in the Old Country must be renewed or paid off is only a few weeks off. The debentures now maturing were in nearly every case taken at five per cent. Now the British agents of Canadian loan companies have stated, in many cases, that five per cent. will not attract British investors. The advice is that at least 5¼ per cent. should be offered. Great Britain is not yet out of its new industrial revolution. Money is not easy; even good municipal bonds yield the British investor more than Canadian municipals yield the Canadian investor. And sc over 5 per cent. must be paid for money.

Can Not Afford to Pay It

Canadian loan companies are hardly prepared to pay over 5 per cent. They are making loans at 6 per cent. and at 6½ per cent. for Eastern city mortages. The rate on Western city mortgages is only about 7 per cent. Farm mortgages have come down to levels that represent an equal decline from former levels. The return is so much smaller than it was a few years ago that it is obvious over 5 per cent. can not profitably be paid for money. The margin between cost of money and gross return would not be enough to carry expenses. For that reason much of the British money will be returned on the next term day.

The Canadian loan companies will have to replace it with funds from other sources; these sources will be in Canada. Increased pressure will be put behind the sale of debentures in Canada and the taking of deposits here. Recent tendencies on the part of governing authorities to permit larger borrowing powers for the loan companies will facilitate this for some of the larger companies.

Expect Further Consolidations

Narrowing profit margins will lead to further consolidations; the large companies buying out small companies, it is stated. Something of this trend has been seen during the past year. There have been several such purchases. There may even be some withdrawals of loaning companies, with voluntary liquidations. One of the important companies in Western Canada recently announced that it had decided to give up loaning business; to wind up its affairs and distribute its assets to its shareholders. It could no longer get money cheaply enough to enable it to meet the present low interest rates in Canada with a profit.

It is somewhat unfortunate—not to say anomalous—that at a time when money is so plentiful that interest rates have declined greatly and profit margins have narrowed the government should be embarking—as the Rural Credits scheme intends—in the business of loaning money. The government proposes to loan money at cost; that is borrowing cost plus management expenses. If it does that it can not make mortgage rates any cheaper than they are now. But the real danger to established business lies in the possibility that loans will be made at less than cost. This would only increase the problems of the presently established loan institutions.

A number of loan companies have met the situation, as we have seen for some years past, by taking out trust company charters and thus extending the scope of their activities. This has the same result as the absorption of small companies by large ones; it enables a larger volume of business to be done on slightly increased overhead and enables some of the decreased margin between cost and return from money to be taken up.

Life Insurance Trust Now Spreads Field of Trust Company Service

Two Kinds of Trusts Now Proving Popular, Each of Which Protects Funds and Wishes of Head of Family

SERVICE IS RENDERED AT MODERATE COST

By RALPH C. GEDDES.

There is a comparatively new kind of trust which gives promise of becoming generally popular in this country when the purposes it can serve, and the ease with which it can be created, are somewhat better known than they appear to be at present.

This is the life insurance trust, and it is in the interests of both insurance and trust companies that the knowledge of its uses should be more widely diffused. As for the insurance companies it will increase their business by bringing home to every purchaser of insurance the scope of the protection that can be given by a capital fund created by their agency. With regard to trust companies, it adds a prolific member to the large family of trusts, and will enable them to demonstrate in a much greater field their particular aptitude for the duties of trustee.

Benefit to Policy Holder

The policy holder—and in this present day there are few men who do not carry life insurance—will also be interested in gaining a clearer idea of any means by which he can make the best possible provision for the comfort and security of his wife and family after his death.

The first step towards this goal is, of course, to accumulate the necessary reserve. Life insurance is only one way in which the requisite capital can be gathered together; but, for a large number of men, it is the easiest, while, for many another, it is invaluable in placing beyond any doubt the fact that his estate will be sufficient for the purposes for which it is intended. Since protection for dependents is always the end in view, the same principle should be followed in the distribution of its capital as prevailed in its accumulation—that care be taken to make it safe against any impulse towards extravagance or speculation.

Reserves Are Trust Funds

As for himself, this is what he does when he takes out insurance, for he thereby creates a trust fund in favor of the persons to whom it is made payable. That part of his premiums which are placed in the company's reserve for policy-holders are trust funds. It is the further duty of his trustee (the insurance company) to pay the proceeds of this insurance intact to his beneficiaries in the manner directed in the policies, and this payment of the claim completes the responsibility undertaken by the company.

In other words, he has established a trust fund of which the capital, in the absence of further provisions, is to be distributed in lump sums at the very time when the need for protection of it is probably the greatest.

Sees Need to Go Further

It is obvious, then, that further measures should be taken to continue the benefit of this trust, either by some arrangement under which the money will be disbursed by the issuing companies to his dependents in instalments, or by appointing a trustee equally as reliable to take charge of the funds and administer them. The necessity for this is paramount where the beneficiaries are either too old, or too young, or too inexperienced to be safely permitted to have such sums at their absolute disposal, especially when their comfort, and even their livelihood, may depend on the proper use of them.

In this consideration—this facing of the fact that real protection does not end merely in creating a capital fund for use after death—we have the genesis of the life insurance trust.

Two Kinds of Trusts

There are two ways in which such a trust can be established, depending on what is designed to form the capital of the trust fund; but in both cases insurance policies (which will eventually resolve themselves into cash) comprise part, at least, of the assets that will be deposited with the trustee.

In the first — the "unfounded trust"—the policies only are deposited, having first been assigned or made payable to the trustee. The settler himself continues to pay the premiums on them, and it is not until his death that the trustee will have any funds to administer. At that time, the proceeds of the policies will be paid to it to be held for the use of the persons named in the trust deed. This distribution of the capital and income of the funds by the trustee is, of course, restricted to preferred beneficiaries if the policies were originally payable to members of that class.

Same As Will

It is easily within the power of any man to set up such a trust in connection with all his insurance or so much of it, at least, as is designed for the protection of such dependents as his parents or his wife and family. The trust deed has the effect of a will as regards this insurance, and, if he wishes, he can have a will drawn to incorporate in it this kind of trust.

It is easy because there is no additional capital required; his outlay on premiums remains the same; and no immediate expense is incurred, for no fee is charged until the proceeds are in the trustee's hands. He can alter the terms of the deed at any time, and he can reserve his right to all the privileges under the policies. Policies taken out subsequent to the date of the deed can be included by making them payable to the trustee.

Second Kind of Trust

The second—the "funded trust"—differs from the first in only one respect. A fund of cash or securities must be deposited with the trustee along with the policies, sufficient to provide a revenue to pay the premiums. The trustee undertakes this duty, and, if desired, the investment of the surplus revenue. The settler can reserve the power to choose the investments to be made. At his death the fund, together with any accumulation and the proceeds of the policies, become the capital of the trust.

Only men who can afford to set aside such an amount of cash or securities will be able to make use of this latter form of life insurance trust, so that it will not have as wide an appeal as the former method. But it is recommended as an easy way of taking care of insurance premiums, and particularly to anyone engaged in speculative enterprises, as an "insurance upon his insurance," since it will make the payment of his premiums certain, no matter what vagaries of fortune are in store for the rest of his estate.

Discretionary Powers For Trustee

Apart from the safety that is ensured for the funds during the time that they are being used for the benefit of the dependents, what are the advantages of this trust over the other methods there are of holding the money for these purposes? The answer to this question lies in the fact that it is possible to clothe a trustee with such discretionary powers in administering the funds that the income and capital can be applied as the beneficiaries need it and when they need it. By no other means can unforeseen contingencies be so effectually guarded against; and by no other means can an entity be created so capable of coping with each situation that may arise in the settler's family after his death as nearly in the same manner as he would have dealt with it if he had lived.

Having Funds Available

The whole purpose underlying the conservation of the insurance estate, or, for that matter, any other kind of estate, is to have funds available for both the ordinary and extraordinary needs of the dependents; to give them the whole benefit from the capital while the absolute ownership of it is witheld from them for a certain period for reasons of safety.

Monthly income policies, and other methods of disbursing insurance proceeds (capital as well as income) by instalments are valuable aids in conserving insurance funds, and there is no intention to disparage them. In certain circumstances these may be good plans to adopt with regard to part of the insurance at least. But a power to encroach upon the capital should carry with it a power to refrain from encroaching at the discretion of the disbursing agent, and only a trustee, acting under the terms of a trust deed, can undertake this responsibility. When insurance companies hold the proceeds to pay them out over a period they no longer act as trustees, but as parties to a contract between the insurer and the insured which cannot be varied. Therefore, there is not the flexibility in the control of the fund that it is possible to obtain by the expedient of appointing a trustee.

Some Discretionary Suggestions

As examples of some of the powers which may be conferred on the trustee by the life insurance trustee deed, and which also illustrate how the discretion allowed to the trustee enables capital to be used when necessary and saved when not required, the following are given:

Income to wife for her life. To be supplemented out of capital if necessary.

Children to receive some portion of capital (or income) if wife remarries.

Children to share capital (or income) on wife's death, equally or otherwise.

Son's and daughter's shares to be dealt with differently.

A college education for the children, but subject always to the wife's being protected.

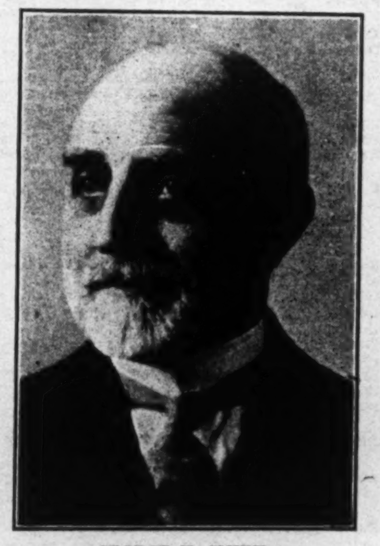
A start in life for the children if capital is available.

Who Should be Trustee?

In every one of these provisions, and any others that may be used in addition to them or substituted for them, much depends on the judgment of the trustee appointed. Consequently, he should possess an extensive experience derived from the administration of all sorts of trusts, and he should have other qualifications as well. He must not die; he must never be ill or absent; he must be absolutely reliable, adhere to sound business practices and have a thorough know-

(Continued on page 32)

Heads Mortgage Men



GEORGE H. SMITH,
Again elected president, Dominion Mortgage and Investments Association.

George H. Smith Again Heads Mortgage Lenders Association

Because the Dominion Mortgage and Investments Association, the body to which most of the loaning institutions in Canada belong, met in Montreal this week for its annual gathering, considerable space is given in this section to the publication of some of the addresses and reports delivered at this meeting. These comprise an excellent survey of the present conditions in the mortgage field in Canada.

Officers of the association were elected as follows:

Honorary presidents—Hume Cronyn and E. M. Saunders.
Past president—C. S. Macdonald.
President—George H. Smith.
First vice-president—J. F. Weston.
Second vice-president—R. P. Jellett.
Secretary-treasurer—John Appleton.

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W. G. Watson, Toronto General Trusts Co.
C. E. Weeks, Victoria Trust and Savings Co.
P. V. Wilson, Waterloo Trust and Savings Co.

On the 3rd of March, 1916, when the association had its inception, the assets under administration by member companies were at that time $528,421,108. It is gratifying to note that the total assets under administration as at the end of 1926 amount to $2,016,289,338.

Governmental Loaning Institutions Can Not Lower Cost of Credit

George H. Smith, President of Dominion Mortgage and Investments Association, Discusses Present Problems in Loaning Field

By GEORGE H. SMITH.
Managing Director, Canada Permanent Mortgage Corporation. Presidential address at annual Meeting, Dominion Mortgage and Investments Association.

Assets entrusted to the administration of the companies comprising the membership in the Dominion Mortgage and Investments Association, now aggregate more than two thousand million dollars, a very considerable increase for the year. With the renewed prosperity our Dominion is experiencing, these savings and investments of the people will, no doubt, continue to increase in an even greater ratio. We recognize the great responsibility of safe-guarding these accumulated funds, which are the product of the toil and sacrifice and thrift of very many thousands of our citizens. Those to whom is entrusted the making and administering of our laws, and by whose action or inaction the safety of these trust funds may be jeopardized, we believe should realize that they cannot well escape sharing in this responsibility.

Relief From Adverse Legislation

Efforts to secure relief for mortgagees from Seed Grain, Fodder and Relief Liens in favor of the government have, at last, resulted in the passage of legislation having that end in view. The Minister of the Interior and his department appear to be desirous of removing the injustice under which mortgagees have suffered for many years. We may, therefore, hope that the regulations which are to be adopted for the administration of this new legislation will be of a practical nature and prove to be such as to provide the intended relief in an inexpensive manner and without unnecessary delay.

Approve New Laws

The proposed amendments to the Loan and Corporations Act and the Trust Corporations Act of the Dominion, which have been engaging the attention of the Banking and Commerce Committee of the House of Commons for several weeks, and in which the press and public have evinced considerable interest, were of a nature to which we could not see any objection. The proposed increase in the borrowing powers of loan corporations will, for the present at all events, not affect more than one or two companies. As a class, the loan companies of Canada have been remarkably free from mismanagement or maladministration, having had a comparatively clean record and a long and creditable history. In the few instances, in which anything has occurred which resulted in loss to the depositors and debenture holders, or reduced their security, it has never been in connection with the business of any company, the management of which has so inspired the confidence of the investing and saving public as to strain the limits of the borrowing powers conferred upon it by the controlling acts either of the Dominion parliament or of the local legislatures. With the present careful inspection by officials of the government it would be practically impossible for the security of depositors and debenture holders to be endangered.

Annual License is Reasonable

The proposal to give to the Department responsible for making the annual inspection, some power to enforce its decision seems to be only reasonable, as without it the purpose for which the inspection was authorized, and is regularly made, is defeated. At any rate, when both the Dominion parliament and the Ontario legislature amended their acts to provide for inspection (and it should be remembered that the companies not only approved of this legislation but many of them asked for it) it was understood that it was not merely an empty form but that, in the event of any of the companies being found to be in an unsatisfactory position, the department would have power to protect the interests of the creditors. It is to be regretted that there should be any question of conflicting jurisdiction and it is hoped this may be amicably adjusted so that the public may have the benefit of the protection the legislation provides.

The question of the legislative disabilities of mortgagees in some of the Western Provinces, particularly in Alberta, has been a live one for some years. Up to the present the Alberta legislature has not passed any remedial legislation. The legislature is, however, in session and we think we have reason to hope that, as a result of the lengthy conferences which took place in Edmonton last September and of subsequent interviews with the premier, the attorney-general and other members of the cabinet, some relief may be expected before the legislature prorogues.

Rural Credits in Dominion

The Rural Credits Bill which failed to become law at the last session owing to the sudden dissolution of the Dominion parliament, has again been introduced and has passed the House of Commons. Three or four members of the House of Commons, when this bill was recently under discussion in committee, made statements with respect to it which are not at all creditable to gentlemen who have been sent to Ottawa to represent the whole of the people and not any particular class. They very frankly stated that they hope, by the adoption of this measure and the creation of the proposed Farm Loan Board to eliminate all competition by existing lending organizations, which cannot but mean that they wish to see the business of lending on farm properties monopolized by the new institution, and the existing companies evicted from the western prairie provinces at all events. Some of them continue to misrepresent the Rural Credit schemes of other countries and to endeavor to mislead the Canadian public into a supposition that the conditions under which they operate are similar to those under which the proposed Farm Loan Board would conduct its business in Canada.

Attitude in Great Britain

How different is the attitude to such institutions in the Motherland. Within the past fortnight there have come into my hands reports of the proceedings of the annual meetings of two of the largest building societies in Great Britain. One of these, with assets exceeding £25,000,000, which during the past ten years have increased by over five hundred per cent., claims to be the largest building society in the world. Each of these meetings was attended by a member of the British government who was present not as a member or shareholder of the society, but for the purpose of evincing the interest the British government takes in the activities of these institutions and of paying tribute to their national importance. The meetings were also attended by the mayors of the respective cities, and members of the governing bodies of the municipalities, who took the opportunity of saying that they thoroughly concurred in the views expressed by the respective cabinet ministers.

It is a severe strain upon one's credulity to suppose that these Canadian gentlemen are so unsophisticated as to believe that this public or semi-public organization now to be brought into existence can conduct its business at a lesser cost of administration and with a smaller proportionate volume of losses than those which the old established and experienced leading institutions have over a long period of years found to be necessary. The fullest possible information on this subject was last year furnished in detail to the insurance department as well as to the Banking and Commerce Committee of the Senate. One can readily believe that many borrowers will obtain loans from the board which they cannot procure from the companies now lending, but if those companies, with their experience and with the extra precautions they have taken, have not been able to avoid heavy losses, how can it be expected that lesser losses will be experienced if larger loans be made?

Last year, on this subject, I said: "The old-established lending institutions, which have fully provided the credit required since many years prior to Confederation, are quite satisfied they can compete in rates of interest as well as in all other respects, provided they be given fair play, and if the Dominion's system be operated on a business basis with adequate provision for administration expenses and the inevitable losses."

I also quoted from the Hon. Mr. Dunning's budget speech to the Saskatchewan Legislature on January 12th, 1926, in which he estimated the necessary margin between the cost of the money and the rate borrowers should be charged, to be from "one and one-half to two per cent."

Failure of Governmental Systems

While not desirous of uselessly debating further a subject upon which the mind of Parliament has already been expressed, it will do no harm to again invite attention to the numerous evidences presented last year of the failure of the governmental systems both of the United States and of several of the individual states as well, to benefit the American farmer in the way that was so confidently expected. Nothing but disappointment has been the result of their operations Each year we see fresh evidence of the fact. For example, how interesting is the recent statement that of the total bank failures in the United States in 1926, 342, or consideraly more than one-half of the total of 608, were in the central western or principal agricultural region including the States of Iowa, North and South Dakota, Minnesota, Missouri and Kansas, 236 of these were in Iowa,

(Continued on page 31)

Canada's Chief Loan Companies'

Earnings Records Analyzed for This Issue

BRITISH MORTGAGE & TRUST CORP. OF ONTARIO

Distribution of Earnings

	1924	1925	1926
	$	$	$
Net profits	88,335	92,755	106,558
Dividends	70,000	70,000	81,029
	18,335	22,755	25,529
Prem. on stock	....	69,800	15,070
	18,335	92,555	40,599
Reserve	10,000	80,000	30,000
Contingent	10,000	......	......
Balance	*1,665	12,555	10,599
Prev. balance	5,288	3,623	16,178
P. & L. balance	3,623	16,178	26,777

*Deficit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$449,450	$50,277	11.1	8
1914	449,650	49,832	11.0	8
1915	450,000	54,758	12.1	8
1916	450,000	63,942	14.2	9
1917	500,000	62,984	12.5	10
1918	500,000	73,823	14.7	10
1919	500,000	82,954	16.5	12
1920	500,000	95,552	18.5	12+2
1921	500,000	70,581	14.1	12
1922	500,000	85,145	17.0	12
1923	500,000	88,854	17.7	12+2
1924	500,000	88,335	17.6	12+2
1925	568,900	92,755	18.5	12+2
1926	582,600	106,550	18.3	12+2

B.C. PERMANENT LOAN CO. VANCOUVER

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	190,004	202,517	202,782
Expenses	55,404	55,960	54,289
Interest	60,206	64,003	64,206
Income Tax	5,926	8,000	8,750
	121,536	127,963	127,245
Net profits	68,468	74,554	75,537
Distribution—			
Dividends	75,445	66,093	66,164
Balance	*6,977	8,461	9,373
Prev. balance	9,284	2,306	10,766
P. & L. balance	2,307	10,767	20,139

*Debit.

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Dividend
1913	$900,077	$132,644	15.1	10
1914	920,107	84,055	9.2	8
1915	923,290	53,200	5.7	5
1916	923,290	57,536	6.2	..
1917	923,290	45,729	5.0	..
1918	923,290	76,289	8.3	..
1919	923,290	91,790	9.9	6
1920	926,721	126,468	13.6	6+2
1921	940,763	101,435	10.9	6+2
1922	941,829	86,012	9.1	6+2
1923	942,424	74,505	7.9	6+2
1924	943,319	68,468	7.2	6+2
1925	944,599	74,554	7.9	6+1
1926	945,529	75,537	8.0	6+1

*Provision for income tax deducted.

BROCKVILLE LOAN & SAVINGS CO., LTD., BROCKVILLE

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	68,858	71,273	75,614
Interest	13,898	16,997	19,694
Taxes	4,785	4,877	4,328
Expenses	12,939	13,036	12,727
	31,622	34,910	36,749
Profits	37,236	36,363	38,865
Distribution—			
Dividends	24,492	24,500	24,500
Reserve	15,000	15,000	10,000
Trans. to real est.	.....	.....	4,888
Balance	*2,256	*3,137	*523
Prev. bal.	7,803	5,547	2,410
P. & L. bal.	5,547	2,410	1,887

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$236,292	$ 24,289	10.4	6
1914	264,776	28,801	11.4	6
1915	289,405	32,770	11.6	6
1916	294,910	34,689	12.0	6
1917	301,810	27,954	9.3	7
1918	302,510	29,160	9.6	7
1919	303,043	31,199	10.3	7
1920	305,443	30,253	9.9	7
1921	305,593	31,909	10.4	7
1922	336,625	35,195	10.7	7
1923	348,900	36,124	10.5	7
1924	350,000	37,236	10.6	7
1925	350,000	36,363	10.3	7
1926	350,000	38,865	11.0	7

CANADA LANDED & NATIONAL INVESTMENT CO., TORONTO

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	425,400	413,059	393,269
Interest	197,034	187,119	167,715
Prov. taxes	3,610	3,774	3,784
Dom. taxes	19,713	21,263	11,298
Management	58,585	57,500	57,767
Commissions	14,924	6,434	3,593
	293,866	276,090	244,157
Net profits	131,534	136,969	149,112
Dividends	120,500	120,500	120,500
Bonus	......	12,050	12,050
Balance	11,034	4,419	16,562
Prev. balance	42,086	53,120	57,539
P. & L. bal.	53,120	57,439	74,100

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$1,205,000	$190,302	15.7	9
1914	1,205,000	192,288	15.9	9
1915	1,205,000	199,201	16.9	9
1916	1,205,000	170,249	14.1	9
1917	1,205,000	158,211	13.1	9
1918	1,205,000	152,288	12.6	9
1919	1,205,000	151,684	12.6	9
1920	1,205,000	194,874	16.2	10
1921	1,205,000	202,424	16.7	10
1922	1,205,000	137,214	11.4	10+1
1923	1,205,000	132,455	11.0	10+1
1924	1,205,000	131,534	10.9	10
1925	1,205,000	136,970	11.4	10+1
1926	1,205,000	149,112	12.3	10+1

CANADA PERMANENT MORTGAGE CORP., TORONTO

Distribution of Earnings

	1924	1925	1926
	$	$	$
*Earnings	922,683	946,167	967,724
Distribution—			
Dividends	840,000	840,000	840,000
Reserve	......	500,000	......
Balance	82,683	†393,833	127,724
Prev. balance	405,954	488,637	94,804
P. & L. bal.	488,637	94,804	222,528

*After interest, taxes and expenses and all charges and losses.
†Deficit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$6,000,000	$884,626	14.7	10
1914	6,000,000	876,765	14.6	10
1915	6,000,000	872,105	14.5	10
1916	6,000,000	866,126	14.4	10
1917	6,000,000	852,325	14.2	10
1918	6,000,000	824,532	13.7	10
1919	6,000,000	827,984	13.8	10
1920	6,000,000	854,277	14.2	10
1921	7,000,000	896,366	*13.70	12
1922	7,000,000	903,019	12.90	12
1923	7,000,000	911,789	13.00	12
1924	7,000,000	922,683	13.17	12
1925	7,000,000	946,167	13.51	12
1926	7,000,000	967,724	13.81	12

*$6,000,000 for the first six months and $7,000,000 for the second six months.

CENTRAL CANADA LOAN & SAVINGS CO., TORONTO

Distribution of Earnings

	1924	1925	1926
	$	$	$
Net profits	237,213	257,481	386,478
Distribution—			
Dividends	201,250	210,000	210,000
Bonus	26,250	35,000	140,000
Balance	9,713	12,481	36,478
Prev. bal.	159,866	169,579	182,60
P. & L. bal.	169,579	182,060	218,538

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$1,750,000	$285,816	16.3	10
1914	1,750,000	215,567	12.3	10
1915	1,750,000	214,052	12.2	10
1916	1,750,000	208,811	12.2	10
1917	1,750,000	191,810	11.2	10
1918	1,750,000	193,211	11.4	10
1919	1,750,000	207,129	12.1	10
1920	1,750,000	206,787	12.1	10+3
1921	1,750,000	199,863	11.4	10
1922	1,750,000	199,177	11.4	10
1923	1,750,000	217,357	12.4	10+2
1924	1,750,000	237,213	13.5	11½+1½
1925	1,750,000	257,481	14.7	12+2
1926	1,750,000	386,478	22.0	12+8

COLONIAL INVESTMENT & LOAN CO., TORONTO

Distribution of Earnings

	1924	1925	1926
Net revenue	$ 31,441	$ 20,044	$ x4,268
Trans. from res.	10,000	20,000	20,000
	41,441	40,044	15,732
Dividends	37,578	37,581	19,419
	3,863	2,463	†3,687
Prev. bal.	3,900	7,763	10,225
P. & L. bal.	7,763	10,226	6,538

xNet loss. †Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$2,448,440	$187,783	8.2	6
1914	2,451,803	178,588	7.3	5½
1915	2,452,868	163,884	7.0	5
1916	2,453,995	154,717	6.4	6
1917	2,455,375	155,479	6.3	6
1918	2,456,402	154,935	6.3	6
1919	2,458,421	136,433	5.5	6
1920	1,250,926	168,990	7.7	6
1921	1,251,882	69,425	5.5	6
1922	647,988	40,680	6.3	6
1923	648,330	12,285	2.0	6
1924	648,535	31,441	5.0	6
1925	345,652	20,044	5.8	6
1926	345,887	x4,268	..	6

xNet loss.

CROWN SAVINGS & LOAN CO., PETROLEA

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	46,797	46,761	48,282
Int. on deb. & dep.	17,066	18,069	18,359
Expense	5,902	5,858	5,796
Taxes	2,928	3,007	2,593
Writ. off prem.	318	500	500
	26,214	27,434	27,248
Net profits	20,583	19,327	21,034
Distribution—			
Dividends	15,668	15,668	15,668
Reserve	4,000	3,500	3,500
Balance	915	159	1,866
Prev. bal.	4,213	4,628	4,287
	5,128	4,787	6,153
Off invest.	500	500	1,347
P. & L. bal.	4,628	4,287	4,806

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1915	$236,700	$17,454	7.4	6
1916	238,000	17,970	7.8	6
1917	241,050	18,235	8.0	6
1918	241,050	19,467	8.0	6
1919	241,050	20,548	8.5	6
1920	241,050	20,050	8.4	6
1921	241,050	19,264	8.0	6+½
1922	241,050	21,320	8.8	6+½
1923	241,050	20,299	8.4	6+½
1924	241,050	20,583	8.5	6+½
1925	241,050	19,327	8.0	6+½
1926	241,050	21,034	8.7	6+½

DEBENTURE CO. OF CANADA, REGINA, SASK.

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	26,337	30,613	36,343
Income tax	1,594	2,555	2,575
Net profits	24,743	28,058	33,768
Distribution—			
Dividends	20,172	24,666	31,705
Reserve	2,685	4,170	3,181
Balance	1,886	* 778	*1,118
Prev. bal.	540	2,426	1,647
P. & L. bal.	2,426	1,648	529

*Deficit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1919	$ 48,646	$ 3,629	10.3	10
1920	77,243	5,705	9.8	10
1921	114,986	9,324	10.1	10
1922	148,480	13,549	10.3	10
1923	186,585	15,890	9.8	10
1924	223,658	24,743	12.3	10
1925	279,681	28,058	11.4	10
1926	354,250	33,768	10.6	10

EAST LAMBTON FARMERS' LOAN & SAVINGS CO., FOREST, ONT.

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	36,956	39,453	43,683
Interest—			
On dep. and bk.	4,972	5,456	6,375
On debentures	9,232	10,969	11,762
Expenses	2,390	2,816	2,719
Taxes	2,562	2,637	2,438
	19,247	21,878	23,294
Net profits	17,709	17,575	20,389
Distribution—			
Dividend	13,629	13,629	13,629
Bal. to reserve	4,080	3,946	6,760
	17,709	17,575	20,389

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$200,000	$12,715	6.3	6
1914	209,825	14,183	7.0	6
1915	213,250	16,432	7.8	6
1916	217,000	15,411	7.3	6
1917	220,100	16,167	7.3	6
1918	200,200	16,145	7.3	6
1919	221,650	17,832	8.0	6
1920	225,000	16,021	7.1	6
1921	227,050	15,186	6.4	6
1922	227,150	17,108	7.8	6
1923	227,150	17,002	7.7	6
1924	227,150	17,709	8.0	6
1925	227,150	17,575	7.7	6
1926	227,150	20,389	8.9	6

EASTERN CANADA SAVINGS & LOAN CO., HALIFAX

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	190,983	*88,731	*84,905
Interest	78,310	......	......
Management	31,376	......	......
Taxes	10,472	11,717	10,507
Written off	5,603	2,014	3,363
	125,761	13,731	13,870
Net profits	65,222	75,000	71,035
Distribution—			
Dividends	60,000	60,000	60,000
Reserve	5,222	15,000	11,035
	65,222	75,000	71,035

*Interest and management deducted.

(Eastern Canada Savings, Cont'd.)

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$250,000	$29,500	11.8	7
1914	250,000	29,000	11.6	8
1915	250,000	31,000	12.4	8
1916	359,450	37,865	12.0	8
1917	372,890	43,932	12.2	8
1918	375,000	43,426	11.7	8
1919	502,300	51,912	12.6	8
1920	600,000	59,303	10.6	8
1921	749,840	65,856	9.2	8
1922	750,000	64,000	8.5	8
1923	750,000	64,000	8.5	8
1924	750,000	65,222	8.7	8
1925	750,000	75,000	10.0	8
1926	750,000	71,035	9.4	8

*Less amount written off.

EMPIRE LOAN COMPANY, WINNIPEG

Distribution of Earnings

	1924	1925	1926
Profits	$ 15,600	$ 8,601	$ 7,300
Loss on property	1,626	394	....
Deprec. in secs.	12,079	8,679	....
Tax arrears	....	....	13,169
	13,705	9,073	13,169
Balance	1,895	x472	x5,869
Prev. bal.	856	2,751	2,279
Bal. against res.	....	....	3,590
P. & L. bal.	2,751	2,279	....

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1918	$604,755	$17,766	3.0	.
1919	607,226	26,462	4.3	4
1920	620,761	33,880	5.4	4½
1921	631,481	27,201	4.4	5
1922	636,597	26,272	4.1	4
1923	638,055	16,235	2.5	.
1924	638,376	15,600	2.4	.
1925	638,376	8,601	1.3	.
1926	638,376	7,300	1.1	.

FRONTENAC LOAN & INVEST. SOCIETY, KINGSTON, ONT.

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	18,436	19,192	18,910
Interest	1,305	1,555	1,459
Expenses	5,584	5,334	5,732
	6,889	6,889	7,191
Net profits	11,547	12,303	11,719
Distribution—			
Dividends	11,000	11,000	11,000
Real estate	.....	811	.....
Contingent	547	492	719
	11,547	12,303	11,719

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1914	$200,000	$10,900	5.4	5
1915	200,000	11,500	5.8	5
1916	200,000	11,500	5.8	5
1917	200,000	12,432	6.2	5½
1918	200,000	12,059	6.0	5½
1919	200,000	11,974	5.9	5½
1920	200,000	11,100	5.5	5
1921	200,000	10,281	5.1	5
1922	200,000	11,283	5.6	5½
1923	200,000	10,599	5.2	5
1924	200,000	11,547	5.7	5½
1925	200,000	12,308	6.1	5½
1926	200,000	11,719	5.8	5½

GUELPH AND ONTARIO INVEST. AND SAVINGS SOCIETY, GUELPH

Distribution of Earnings

	1924	1925	1926
	$	$	$
Earnings	266,148	275,337	276,201
Taxes	8,623	8,777	8,598
Expenses	161,716	171,866	171,241
	170,339	180,643	179,839
Profits	95,809	94,694	96,362
Dividends	77,206	77,206	77,206
Contingent	.....	50,000	25,000
Balance	18,603	*32,512	*5,844
Prev. bal.	38,765	57,368	24,856
P. & L. bal.	57,368	24,856	19,012

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$594,370	$109,507	18.3	10
1914	608,310	114,024	18.8	10
1915	643,695	122,180	19.5	10
1916	711,983	130,668	18.4	10
1917	782,701	129,398	17.0	10
1918	847,847	123,508	14.8	10
1919	923,233	143,771	15.9	10
1920	964,840	117,663	12.4	10
1921	965,080	124,953	13.0	10
1922	965,080	107,058	11.0	9
1923	965,080	91,538	9.5	8
1924	965,080	95,800	9.9	8
1925	965,080	94,694	9.8	8
1926	965,080	96,362	10.0	8

GREY AND BRUCE TRUST & SAVINGS CO., OWEN SOUND

Distribution of Earnings

	1926
Earnings	$77,214
Less:	
Interest	26,899
Directors' fees	1,049
Expenses	8,043
Commissions	75
Taxes	5,419
	41,485
Net profits	$35,729
Distribution:	
Dividends	$32,907
Res. for depreciation	375
Contingency reserve	2,446
	$35,729

(Continued on page 27).

That WILL!

WHEN thinking of a Will, think of The Standard Trusts Company as one competent to act as Executor and properly administer the Estate entrusted to it.
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THE STANDARD TRUSTS COMPANY
WINNIPEG
Official Administrators for Judicial Districts of Dauphin, Man., Saskatoon and Kindersley, Sask., and Wetaskiwin, Alta.

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(ESTABLISHED 1880)

Capital, 50 Million Francs

Assets $51,600,000 — Reserves $17,000,000

Loans on First Mortgage

R. DE ROUMEFORT, *General Manager*
J. THEO. LECLERC, *Manager*
MARCEL PASQUIN, *Manager*
ARMAND CHEVALIER, *General Secretary*

Head Office — Montreal

BRANCHES: QUEBEC TORONTO WINNIPEG REGINA EDMONTON VANCOUVER

SPECIALIZED TRUST COMPANY KNOWLEDGE IN THE PROVINCE OF QUEBEC

EXECUTORS AND TRUSTEES

HON. SIR H. LAPORTE, *President*
J. THEO. LE CLERC, *General Manager*

LA SOCIÉTÉ d' ADMINISTRATION GENERALE

(The General Administration Society)

MONTREAL EDMONTON REGINA VANCOUVER WINNIPEG

35 St. James Street, Montreal

"Older than the Dominion of Canada"

Even before Confederation—

The Huron & Erie Mortgage Corporation was a trusted institution with the Canadian people.

And now, at the time Canada is about to celebrate her Diamond Jubilee, the 63-year-old Huron & Erie safeguards for Canadians more deposits and debenture investments than any similar institution in the Dominion.

The Huron & Erie is one of the eleven financial institutions in Canada having the large paid-up capital of *five million dollars* or more.

The Reserve Fund now totals $2,350,000. Assets Exceed thirty-nine millions.

Friendly officers welcome opportunities to serve you in financial transactions.

The Huron & Erie Mortgage Corporation

Branches in five Provinces
London (four) Toronto Hamilton
Windsor Chatham St. Thomas
Winnipeg Regina Edmonton Victoria

T. G. MEREDITH, K.C., *Chairman of the Board.*
HUME CRONYN, *President.*
M. AYLSWORTH, *General Manager.*

The Mortgage Companies

(Continued from page 26)

HOME INVESTMENT AND SAVINGS ASSN., WINNIPEG, MAN.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	58,653	62,846	66,638
Taxes	4,822	3,177	2,684
Net profits	53,831	59,669	63,954
Distribution—			
Dividends	59,564	......	......
Contingent res.	22,917	66,223	45,052
	82,481	66,223	45,052
Balance	*28,650	*6,554	18,902
Prev. bal.	38,420	9,757	3,396
Tax adjust.	12	193	369
P. & L. bal.	9,758	3,396	22,667

*Deficit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$862,490	$134,598	15.6	9
1914	969,300	134,387	14.5	9
1915	981,726	123,059	12.6	9
1916	984,481	111,006	11.2	9
1917	989,131	108,497	11.0	9
1918	991,928	101,578	10.3	8
1919	992,352	91,241	9.2	8
1920	992,482	95,041	9.6	8
1921	992,630	81,613	8.2	8
1922	992,674	79,136	8.0	8
1923	992,721	72,018	7.2	8
1924	992,763	53,832	5.4	6
1925	992,772	59,669	6.0	..
1926	992,772	63,954	6.4	..

HUDSON BAY MORTGAGE CORP., VANCOUVER, B. C.

Distribution of Earnings

	1924	1925	1926
Profits	$ 7,998	$ 8,036	$ 8,192
Expenses	4,867	3,847	4,319
Net profits	3,131	4,189	3,873
Prev. bal.	3,359	6,490	....
Balance	6,490	10,679	3.873

HURON AND ERIE MORTGAGE CORP., LONDON, ONT.

Distribution of Earnings

	1924 $	1925 $	1926 $
Profits	571,914	572,815	574,014
Taxes	57,677	60,608	45,573
Premises	13,000	15,000	15,000
	70,677	75,068	60,573
	501,237	479,747	513,441
Distribution—			
Dividends	375,000	375,000	375,000
Reserve	100,000	100,000	123,920
Balance	26,237	22,747	14,521
Prev. bal.	25,701	51,938	74,685
P. & L. bal.	51,938	74,685	89,206

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$2,100,000	$368,588	17.5	12
1914	2,406,201	400,116	17.3	12
1915	2,458,415	409,203	17.0	12
1916	2,500,000	419,262	16.4	12
1917	2,500,000	421,151	17.0	12
1918	2,500,000	446,668	17.8	12
1919	5,000,000	493,037	9.8	6
1920	5,000,000	505,943	10.1	6+1
1921	5,000,000	531,444	10.6	6+1
1922	5,000,000	521,482	10.4	7
1923	5,000,000	500,458	10.0	7
1924	5,000,000	501,237	10.0	7½
1925	5,000,000	497,747	9.9	7½
1926	5,000,000	513,441	10.2	7½

*Taxes and amount written off premises deducted.

INVESTMENT CORP. OF CANADA, LONDON, ENG.

Distribution of Earnings

Year end, April 30

	1924 $	1925 $	1926 $
Earnings	214,185	136,270	187,385
Commission	17,180	15,970	14,765
Expenses	15,330	16,250	15,845
Taxes	17,265	21,380	19,620
Interest	50,820	49,625	48,890
	100,595	103,225	99,120
Net profits	113,590	33,045	88,265
From reserve	31,070	29,230	....
	144,660	62,275	88,265
Distribution—			
Dividends, pf.	67,500	67,500	67,500
Reserve	35,000	.....	10,000
Balance	42,160	x5,225	10.765
Prev. bal.	†30,830	†10,095	4.870
P. & L. bal.	72,990	4,870	16,535

xDebit.
†Less dividend on ordinary stock.
In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

INDUSTRIAL MORTGAGE AND SAVINGS CO., SARNIA, ONT.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	192,540	204,580	210,809
Interest—			
Debenture	59,280	65,336	67,158
Deposits, etc.	30,500	32,959	37,008
Expenses	13,978	15,143	15,577
Registration	220	220	.....
Taxes and insur.	11,797	11,665	10,217
Com. on loans	1,634	3,169	2,103
	117,409	128,492	132,063
Net profits	75,131	76,088	78,746
Distribution—			
Dividends	57,150	57,150	63,500
Reserve	18,000	19,000	15,000
Balance	*19	*62	246
Prev. bal.	416	397	335
P. & L. bal.	397	335	581

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1914	$589,056	$58,510	9.8	7
1915	599,122	57,936	10.4	7
1916	601,297	64,987	10.8	7½
1917	633,750	68,213	11.0	8
1918	633,850	68,708	10.9	8
1919	634,100	75,956	11.0	8
1920	635,000	76,484	12.1	8+1
1921	635,000	71,111	11.3	8
1922	635,000	72,562	11.4	9
1923	635,000	78,757	12.5	9
1924	635,000	75,131	11.8	9
1925	635,000	76,088	11.9	9
1926	635,000	78,746	12.4	9+1

LAMBTON LOAN AND INVESTMENT CO., SARNIA, ONT.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	248,176	261,027	†102,584
Interest—			
Deb. and bond	63,359	68,336	.....
Deposits	39,991	43,268	.....
Taxes	15,703	15,659	.....
Expenses	21,227	23,376	.....
Commissions	423	783	.....
Gen. interest	223	.....	.....
Written off	.....	383	.....
	140,926	151,805	.....
Profits	107,250	109,222	102,584
Distribution—			
Dividends	78,975	78,975	78,975
Bonuses	15,795	15,795	15,795
Reserve	5,000	20,000	10,000
	99,770	114,770	104,770
Balance	7,480	x5,548	x2,186
Prev. bal.	20,652	28,132	22,584
P. & L. bal.	28,132	22,584	20,398

xDebit.
†After deducting all charges.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1916	$789,750	$ 94,750	12.1	9
1914	789,750	90,004	11.4	8
1915	789,750	93,234	11.8	8
1916	789,750	100,412	12.7	8+1
1917	789,750	102,270	13.0	8
1918	789,750	102,753	13.0	8+2
1919	789,750	114,736	14.5	8+2
1920	789,750	105,606	13.5	8+2
1921	789,750	105,642	13.5	8+2
1922	789,750	103,556	13.2	10
1923	789,750	111,755	14.1	10
1924	789,750	107,250	13.7	10+2
1925	789,750	109,222	13.8	10+2
1926	789,750	102,584	13.0	10+2

THE LONDON LOAN AND SAVINGS CO. OF CANADA, LONDON, ONT.

Distribution of Earnings

	1924	1925	1926
Profits	$ 72,626	$ 76,611	$ 63,655
Tax reserve	....	10,000	10,000
	72,626	66,611	53,655
Dividends	62,409	62,410	62,410
Reserve	10,000	....	....
	217	4,201	x8,755
Prev. balance	3,580	3,796	7,997
P. & L. bal.	3,797	7,997	x758

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$839,227	$ 97,552	12.4	6+2
1914	857,224	101,697	12.0	6+1
1915	882,889	117,817	13.5	6+1¼
1916	884,283	81,225	9.2	6
1917	887,398	35,429	4.1	6+1
1918	887,849	83,920	9.5	6+1
1919	888,321	83,121	9.4	7
1920	891,383	81,125	9.2	7
1921	891,444	73,191	8.2	7
1922	891,539	74,068	8.3	7
1923	891,539	71,349	8.0	7
1924	891,571	72,626	8.1	7
1925	891,571	x66.611	7.4	7
1926	891,571	x53,655	6.0	7

xTax reserve deducted.

LANDED BANKING AND LOAN CO., HAMILTON

Distribution of Earnings

	1924	1925	1926
Earnings	$253,864	$260,000	$265,292
Interest	71,684	77,797	80,017
Taxes	13,165	18,399	11,216
Expenses	37,835	43,925	44,993
	122,684	140,121	136,226
Net profits	131,180	119,880	129,066
Distribution—			
Dividends	$ 90,000	$ 90,000	$100,000
Reserve	30,000	40,000	†30,000
Balance	11,180	x10,120	x 934
Prev. balance	21,373	32,553	22,433
P. & L. balance	32,553	22,433	21,499

xDebit.
†In addition to $20,000 transferred from contingent reserve.

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Div
1913	$ 929,126	$106,243	12.6	7½
1914	978,500	121,472	12.7	8
1915	987,970	128,678	13.2	8
1916	1,000,000	131,084	13.1	8
1917	1,000,000	135,885	13.5	8
1918	1,000,000	129,501	12.9	8
1919	1,000,000	120,598	12.0	8
1920	1,000,000	119,274	11.9	8
1921	1,000,000	121,452	12.1	8
1922	1,000,000	126,478	12.6	8+1
1923	1,000,000	116,840	11.6	8+1
1924	1,000,000	131,180	13.1	8+1
1925	1,000,000	119,880	11.9	8
1926	1,000,000	129,066	12.9	9+1

*Taxes deducted.

LA COMPAGNIE FONCIERE DE MANITOBA, LTD., WINNIPEG

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	25,593	29,935	32,956
Expenses	7,078	8,204	7,783
Taxes	1,484	1,340	934
Auditors' fees	200	200	300
Discount on debs.	557	669	696
Int. on deb. and dep.	5,093	5,235	5,922
Loss on properties	1,309	5,268	2,864
Directors' Premiums	789	721	1,156
	16,510	21,637	19,655
Net Profits	9,083	8,298	13,301
Distribution—			
Reserve	494	451	722
Dividends	8,001	8,001	14,160
Balance	588	x 154	x1,581
Prev. bal.	6,234	6,821	6,666
P. & L. bal.	6,822	6,667	5,085

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1924	$400,050	$ 9,083	2.2	2
1925	400,051	8,297	2.0	2
1926	544,425	13,301	2.8	3

MIDLAND LOAN AND SAVINGS CO., PORT HOPE

Distribution of Earnings

	1924	1925	1926
Earnings	$137,027	$146,341	$151,683
Interest—			
Dep. and deb.	61,931	69,036	74,506
Expenses	14,627	15,891	15,589
Commissions	634	964	1,566
Taxes	6,915	7,387	6,595
	84,107	93,278	98,256
Profits	52,920	53,063	53,427
Distribution—			
Dividends	$ 32,400	$ 32,400	$ 32,400
Reserve	10,000	20,000	20,000
Contingent	10,000	....	....
	52,400	52,400	52,400
Balance	520	663	1,027
Prev. balance	14,453	14,974	15,637
P. & L. bal.	14,973	15,637	16,664

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$360,000	$39,676	11.0	8
1914	360,000	43,511	12.0	8
1915	360,000	44,836	12.4	8
1916	360,000	42,043	11.6	8
1917	360,000	41,300	11.5	8
1918	360,000	41,076	11.4	8
1919	360,000	43,606	12.1	8
1920	360,000	42,768	11.8	8+½
1921	360,000	50,247	13.9	8+1
1922	360,000	52,725	14.6	8+1½
1923	360,000	48,459	13.4	8+1
1924	360,000	52,920	14.6	8+1
1925	360,000	53,063	14.7	8+1
1926	360,000	53,427	14.8	8+1

MONTREAL LOAN AND MORTGAGE CO., MONTREAL

Distribution of Earnings

	1924	1925	1926
Net profits	$ 85,319	$ 85,958	$ 86,490
Distribution—			
Dividends	78,000	78,000	78,000
Reserve	50,000	....	....
	128,000	78,000	78,000
Balance	x42,681	7,958	8,490
Prev. balance	73,799	31,118	39,076
P. & L. balance	31,118	39,076	47,566

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$600,000	$77,425	12.9	10
1914	600,000	76,940	12.8	10
1915	600,000	79,281	13.2	10
1916	600,000	81,229	13.5	10
1917	600,000	84,025	14.0	10+1
1918	600,000	85,965	14.3	10+1
1919	600,000	87,931	14.6	10+1
1920	600,000	92,150	15.3	12+1
1921	600,000	87,318	14.5	12+1
1922	600,000	83,674	13.9	12+1
1923	600,000	86,237	14.3	12+1
1924	600,000	85,319	14.2	12+1
1925	600,000	85,958	14.3	12+1
1926	600,000	86,490	14.4	12+1

MORTGAGE CORPORATION OF NOVA SCOTIA, HALIFAX

Distribution of Earnings

	1924	1925	1926
Earnings	$ 87,806	$ 93,526	$101,329
Interest—			
Deben., etc.	17,950	20,545	21,901
Deposits	1,387	1,524	1,749
Cap. calls	429	328	202
Expenses	11,537	12,765	13,585
Directors	1,150	1,600	1,600
Written off	5,000	....	2,500
Taxes	6,574	6,717	11,287
	44,027	43,479	52,824
Net profits	43,779	50,047	48,505
Dividends	34,132	35,936	37,788
	9,647	14,111	10,717
Prem. on stock	639	597	....
	10,286	14,708	10,717
Reserve	10,000	14,000	12,000
Balance	286	708	x1,283
Prev. balance	290	575	1,283
P. & L. balance	576	1,283	....

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$305,503	$21,022	9.0	6
1914	331,130	24,151	8.6	6
1915	350,254	27,824	9.0	6
1916	384,310	29,611	9.0	6
1917	453,276	31,843	7.8	6
1918	499,146	33,843	8.4	6
1919	507,654	43,875	9.1	6
1920	513,541	39,017	7.9	6
1921	521,192	39,756	7.9	6
1922	552,670	40,281	8.0	6
1923	562,944	42,696	7.9	6
1924	593,454	43,779	7.7	6
1925	620,884	50,047	8.3	6
1926	677,850	48,505	7.7	6

(Continued on page 28)

CANADIAN GUARANTY TRUST CO.

Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.

Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.

Head Office: BRANDON, MAN. — JOHN R. LITTLE, Managing Director

Branch Office: Swift Current, Sask.

The Toronto Mortgage Co.

13 Toronto Street, Toronto

THOMAS H. WOOD, President — A. M. M. KIRKPATRICK, Vice-President
WALTER GILLESPIE, Manager

Present Cash Value of Total Assets - $3,547,500.00
Surplus, Over all Liabilities to Public $1,617,600.00

4% *Allowed on Savings Deposits, Withdrawable by Cheque.*

5% *Paid on Debentures in all Denominations for two to five years.*

Legal Investment For Trust Funds

The Premier Trust Company

Operated under the same management as

The Peoples Loan and Savings Corporation

Head Office: London, Ont.

Branch Office: 32 London St. W., Windsor, Ont.

Acts as Administrator, Executor, Trustee, Committee of a person and all other functions of a trust character. In making your Will see that The Premier Trust Co. is named as Executor and Trustee, thereby affording protection to your estate.

Consult us about the creation of a "Living Trust" and what it means to you and your dependents.

JAMES GRAY, *President* — A. A. CAMPBELL, *General Manager* — WM. SPITTAL, *Sec.-Treas.*

British Canadian Trust Company

Head Office — Conybeare Block Lethbridge, Alberta

Incorporated by Special Ordinance of the Northwest Territories of Canada. (1901 Chapter 35.)

Authorized to act as Executor, Administrator, Trustee, Guardian

General Financial Agents

C. F. P. CONYBEARE, K.C., President.
GEO. H. STACEY, Vice-President.
GEO. WM. PARSONS, Manager.

Authorized Trustee under Dominion Bankruptcy Act

Your Will should be Carefully Prepared

In view of the legal technicalities and of the judicial interpretation of the language used in a Will, it is a grave mistake for you to draw your own. No other legal document that you execute is so important as your Will. We can not emphasize too strongly the importance of having it drawn by a competent solicitor or Notary—and of equal importance is the appointment of your Executor.

Montreal Trust Company

11 Place d'Armes, Montreal

SIR HERBERT S. HOLT, *President.* — A. J. BROWN, K.C., *Vice-President.* — F. G. DONALDSON, *General Manager.*

The Ontario Loan and Debenture Company

London, Ontario

Incorporated and Established 1870

Fifty-Sixth Annual Statement (condensed) — Year ended 31st December, 1926

ASSETS

Office Premises and other Real Estate	$ 87,245.79
Mortgages—Principal $6,879,965.43, Interest $193,212.75	7,073,178.18
Loans on Stocks and Bonds	34,324.76
Securities of United Kingdom, Dominion and Provinces of Canada, Canadian Municipalities, and Securities guaranteed by Dominion and Provinces of Canada	2,836,420.60
Cash in Chartered Banks	175,832.94
	$10,207,002.27

LIABILITIES

To the Public—	
Debentures—Sterling and Currency	$4,685,348.53
Deposits	928,760.79
	$5,614,109.32
To the Shareholders—	
Capital paid in	1,750,000.00
Reserve Fund	2,725,000.00
Quarterly Dividend, 3rd January, 1927	48,125.00
Profit and Loss Account, Balance carried forward	69,767.95
	$10,207,002.27

BOARD OF DIRECTORS

ALFRED M. SMART, President. C. R. SOMERVILLE, Vice-President.
W. M. GARTSHORE, JOHN G. RICHTER, JOHN M. DILLON, ARTHUR T. LITTLE.
MANAGER, THOMAS H. MAIN.

For 55 years the Company has continuously paid Dividends averaging over 8% per annum. Last year's dividend was at the rate of 11% per annum paid in quarterly payments of 2¾%.

Trust Company Service

FEW really know the benefits of Trust Company Service as it is to-day. It is a public servant serving a great number of needs — for instance, your will. We will gladly advise you re the drawing of it and when drawn will deposit it free of charge.

Then we act as Executors, Trustees of Estates, and Guardians, we also act in the capacity of agent, manage estates and investments, collect rentals and interest, place insurance, and in numerous other ways represent our clients.

If you have money to invest, our Investment Department is at your service — consult it. There is no charge.

No matter what it is we will gladly render you service.

The Nova Scotia Trust Company

Executors—Trustees—Guardians

R. W. ELLIOT, Managing Director.
G. R. HARRISON, Secretary.

162 HOLLIS ST. — HALIFAX, N.S.

The Mortgage Companies

(Continued from page 27)

NORTHERN CANADIAN MORTGAGE, WINNIPEG

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	63,849	69,468	67,058
Expenses	13,126	13,117	12,982
Interest	9,825	14,159	12,726
Taxes	6,631	9,127	8,039
	29,582	36,403	33,747
Net profits	34,267	32,065	33,309
Adjust. of int.	.....	103	.....
Refund on taxes	....	....	552
	34,267	32,168	33,861
Distribution—			
Dividends*	34,344	35,181	36,107
Rserve	10,000	.....	.....
xBalance	10,077	3,013	2,156
Prev. bal.	63,434	53,356	50,343
P. L. bal.	53,357	50,343	48,187

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1918x	$535,578	$ 7,336	1.3	.
1919x	545,476	13,982	2.6	3
1920x	552,284	17,880	3.2	4
1921x	552,355	13,250	2.4	.
1922x	560,987	14,204	2.5	.
1923	572,686	33,713	6.0	6
1924	587,282	34,267	5.9	6
1925	600,383	32,065	5.4	6
1926	613,304	33,309	5.0	6

xFor six months.

NORTHERN MORTGAGE CO. OF CANADA, WINNIPEG

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	123,126	101,374	86,039
Distribution—			
Dividends	120,442	100,653	80,655
Reserve	.....	184,972	.....
Balance	2,684	x184,251	5,384
Prev. bal.	292,772	295,456	111,205
P. & L. bal.	295,456	111,205	116,589

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$1,394,058	$ 87,288	7.4	5
1914	1,617,392	109,419	7.5	5
1915	1,726,873	113,359	6.7	5
1916	1,814,322	113,057	6.5	5
1917	1,848,345	103,903	5.7	5
1918	1,881,675	114,860	6.1	5
1919	1,914,692	121,781	6.4	5
1920	1,925,599	133,888	6.9	5
1921	1,957,903	137,485	7.0	6
1922	1,983,521	142,579	7.2	6
1923	2,003,387	130,497	6.5	6
1924	2,008,282	123,126	6.1	6
1925	2,016,345	101,374	5.0	5
1926	2,046,395	86,039	4.2	4

NORTH OF SCOTLAND CANADIAN MORTGAGE CO., SCOTLAND

Distribution of Earnings

	1924 $	1925 $	x1926 $
Profits	276,405	241,350	120,370
Tax relief	31,390	28,255	14,125
	307,795	269,605	145,495
Income tax	99,970	87,940	40,860
	207,825	181,665	93,635
Dividends	180,005	181,905	91,990
Balance	27,820	‡240	1,645
Prev. bal.	†158,885	†181,315	181,075
P. & L. bal.	186,705	181,075	182,720

‡Debit.
†Less adjustment.
In the foregoing analysis, the company's figures in sterling have been converted on the basis of $5 to the £.
xAs the company has changed the date of its fiscal year from Nov. 11 to May 15, the 1926 figures are for six months.

N. S. SAVINGS, LOAN & BUILDING SOCIETY, HALIFAX

Distribution of Earnings

	1924 $	1925 $	1926 $
Receipts	953,501	1,011,447	835,140
Disbursements—			
Adv. to share	343,904	383,015	331,810
W'draw of shars	190,447	162,211	142,542
Deposits repaid	62,569	34,155	33,407
Deb. repaid	248,637	219,039	188,198
Property acc.	9,685	36,234	17,222
Dom. bonds	.....	124,211	.....
Insur. prem.	3,321	2,701	6,856
License and taxes	1,932	1,943	2,265
Dom. taxes	7,996	7,790	6,266
Expenses	20,959	21,512	21,999
Loans account	75,000	28,400	80,000
	964,452	1,021,211	830,565
Balance	x10,949	x9,764	4,575
Prev. bal.	40,863	29,914	20,150
P. & L. bal.	29,914	20,150	24,725

xDebit.

OKANAGAN LOAN & INVESTMENT TRUST CO., KELOWNA, B.C.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	42,538	.....	47,213
Interest	4,502	.....	4,144
Expenses	16,682	.....	15,285
Taxes	3,333	.....	1,877
Depreciation	215	.....	507
	24,732	.....	21,813
Net profits	17,806	17,413	25,400
Distribution—			
Dividends	x15,666	.....	†23,460
Reserve	2,000	.....	2,175
Balance	140	.....	xx 235
Prev. bal.	92	.....	837
P. & L. bal.	232	837	602

x4 per cent. on fully paid shares and 5 per cent. on partly paid shares.
†6 per cent. on fully paid shares and 5 per cent. on partly paid shares.
xxDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1914	$384,840	$30,328	8.0	7
1915	390,560	16,417	4.2	2
1916	390,560	18,509	4.7	2
1917	390,560	21,033	7.9	4
1918	390,580	23,353	6.0	4
1919	390,580	26,079	6.6	5
1920	390,580	36,675	9.6	7
1921	390,580	36,519	9.4	7
1922	390,580	33,139	8.5	4+5
1923	390,580	20,981	5.3	4+5
1924	390,580	17,806	4.5	4+5
1925	......	.....	..	.
1926	392,669	25,400	6.5	6+5

ONTARIO LOAN AND DEBENTURE CO., LONDON, ONT.

Distribution of Earnings

	1924	1925	1926
Earnings x	$299,097	$296,123	$306,089
Income tax	25,757	26,878	23,937
Net profits	273,340	269,245	282,152
Distribution—			
Dividends	192,500	192,500	192,500
Reserve	75,000	75,000	75,000
	267,500	267,500	267,500
Balance	5,840	1,745	14,652
Prev. balance	47,530	53,370	55,115
P. & L. bal.	53,370	55,115	69,767

xAfter payment of interest, expenses and taxes, etc.

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Div
1913	$1,750,000	$253,733	14.5	8½
1914	1,750,000	254,788	15.0	9
1915	1,750,000	264,365	15.5	9
1916	1,750,000	261,082	15.3	9
1917	1,750,000	254,610	15.0	9
1918	1,750,000	250,789	14.7	9
1919	1,750,000	246,182	14.4	9
1920	1,750,000	251,029	14.8	9+1
1921	1,750,000	289,591	16.5	10
1922	1,750,000	270,706	15.9	10+1
1923	1,750,000	265,580	15.6	10+1
1924	1,750,000	273,340	16.0	11
1925	1,750,000	269,245	15.3	11
1926	1,750,000	282,152	16.1	11

*Less income tax.

PEOPLE'S LOAN & SAVINGS CO., LONDON, ONT.

Distribution of Earnings

	1924	1925	1926
Profits	$ 31,788	$ 30,686	$ 29,852
Written off	1,168	334	396
	30,620	30,352	29,456
Distribution—			
Dividends	27,368	27,500	27,500
Reserve	5,000	3,000	2,000
	32,368	30,500	29,500
xBalance	1,748	148	44
Prev. balance	4,593	2,845	2,697
P. & L. bal.	2,845	2,697	2,653

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$438,238	$28,218	6.5	6
1914	451,873	30,176	6.7	6
1915	463,621	29,840	6.5	6
1916	474,394	31,690	6.7	6
1917	480,877	29,855	6.2	6
1918	482,954	30,312	6.3	5
1919	486,720	31,654	6.5	5
1920	439,388	28,392	6.0	5
1921	494,101	29,229	5.9	5
1922	496,008	31,698	6.4	5
1923	496,246	31,447	6.4	5¼
1924	500,000	30,620	6.2	5½
1925	500,000	30,352	6.0	5½
1926	500,000	29,456	5.9	5½

REAL ESTATE LOAN CO., TORONTO

Distribution of Earnings

	1924	1925	1926
Earnings	$ 92,468	$ 97,335	$ 98,860
Deductions—			
Interest	30,613	34,442	35,567
Expenses	6,320	3,292	2,562
Management	14,132	15,867	14,543
Taxes	5,025	5,828	4,604
xOther deductions	1,200	1,200	1,200
	57,290	60,629	58,476
Net earnings	35,178	36,706	40,384
Distribution—			
Dividends	35,000	35,000	35,000
Balance	178	1,706	5,384
Prev. bal.	3,805	3,983	5,689
P. & L. bal.	3,983	5,689	11,073

xVoted to president and vice-president.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1914	$500,000	$56,421	11.2	7
1915	500,000	55,495	11.0	7
1916	500,000	53,969	10.7	7
1917	500,000	52,379	10.4	7
1918	500,000	38,681	7.7	7
1919	500,000	35,017	7.0	7
1920	500,000	38,862	7.7	7
1921	500,000	46,200	9.2	7
1922	500,000	41,039	8.2	7
1923	500,000	42,364	8.4	7
1924	500,000	35,178	7.0	7
1925	500,000	36,706	7.3	7
1926	500,000	40,384	8.0	7

ROYAL LOAN AND SAVINGS CO., BRANTFORD

(Since absorbed by Canada Permanent Mortgage Corporation, Toronto.)

Distribution of Earnings

	1924	1925	1926
Earnings	$175,959	$191,920	$206,130
Interest	67,006	74,338	86,108
Expenses	24,432	26,616	31,229
Income tax	5,500	5,500	6,000
	96,938	106,454	123,337
Net profits	79,021	85,466	82,793
Distribution—			
Dividends	60,000	60,000	72,000
Reserve	10,000	10,000	10,000
Balance	9,021	15,466	793
Prev. balance	17,601	26,622	42,088
P. & L. bal.	26,622	42,088	42,881

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$581,700	$66,241	11.4	7
1914	585,250	57,814	9.9	7½
1915	586,200	56,524	9.7	8
1916	600,000	60,566	10.2	8
1917	600,000	65,560	10.9	8
1918	600,000	72,921	12.1	8
1919	600,000	79,750	13.2	9
1920	600,000	70,806	11.8	9
1921	600,000	71,939	11.9	9
1922	600,000	72,373	12.0	9
1923	600,000	77,066	12.0	9
1924	600,000	79,021	13.1	10
1925	600,000	85,466	14.2	10
1926	600,000	82,793	13.7	10+2

SASKATCHEWAN LOAN & INVESTMENT CO., MOOSE JAW

Distribution of Earnings

	1924	1925	1926
Earnings	$ 29,163	$ 28,228	$ 26,938
Expenses	4,823	4,858	4,946
Income tax	2,060	2,105	1,589
Writ. off mtge.	....	1,724	....
	6,893	8,687	6,535
Net profits	22,270	19,541	20,403
Def. profits	....	947	....
Pay. on stock	....	604	....
	22,270	21,092	20,403
Dividends	22,319	22,508	19,553
Balance	x49	x1,416	850
Prev. bal.	10,875	10,826	9,410
P. & L. bal.	10,826	9,410	10,260

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1918	$314,243	$23,667	7.6	*7+5
1919	333,210	23,080	6.9	*7+5
1920	339,189	24,071	7.1	*7+5
1921	341,812	17,110	5.0	†7+4
1922	345,036	25,465	7.4	7
1923	351,338	22,477	6.4	7
1924	352,475	22,270	6.3	7
1925	353,649	19,544	6.0	7
1926	354,870	20,403	6.2	6

*7 per cent. paid on permanent stock and 5 per cent. on accumulative permanent stock.
†7 per cent. on permanent stock and 4 per cent. on accumulative permanent stock.

SECURITY LOAN AND SAVINGS CO., ST. CATHARINES, ONT.

Distribution of Earnings

	1924	1925	1926
Earnings	$ 94,348	$100,475	$105,651
Interest	23,845	27,067	31,175
Taxes	7,502	7,931	6,321
Expenses	12,059	12,159	13,423
	43,406	47,156	50,919
Net profits	50,942	53,319	54,732
Other profits	156	....	....
	51,098	53,319	54,732
Dividends	37,581	37,772	37,786
	13,517	15,547	16,946
Prem. on stock	420	320	....
	13,937	15,867	16,946
Reserve	15,000	15,000	15,000
Balance	x1,063	867	1,946
Prev. bal.	3,972	2,909	3,777
P. & L. bal.	2,909	3,776	5,723

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$450,250	$34,811	8.2	5
1914	496,575	39,468	8.3	5
1915	500,000	41,278	9.1	6
1916	521,000	46,623	9.2	6
1917	524,200	44,378	8.5	6
1918	524,200	47,022	9.0	6
1919	532,300	47,357	9.1	6
1920	532,300	43,592	8.2	6
1921	532,300	43,707	8.2	6½
1922	534,700	48,993	9.2	7
1923	536,100	49,575	9.3	7
1924	538,200	50,942	9.5	7
1925	539,800	53,319	9.8	7
1926	539,800	54,732	10.1	7

SOCIETE DE PRETS ET PLACEMENTS, QUEBEC

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	70,115	78,144	87,882
Interest	6,187	5,644	8,911
Taxes	6,422	6,998	6,600
Expenses	10,690	11,694	12,122
	23,299	24,336	27,633
Net profits	46,816	53,808	60,249
Distribution—			
Dividends	38,435	43,754	45,000
Reserve	9,260	10,440	15,000
Balance	x879	x386	249
Prev. bal.	6,107	5,228	4,841
P. & L. bal.	5,228	4,842	5,090

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1923	$411,900	$40,466	10.9	8+1
1924	438,600	46,816	10.9	8+1
1925	500,000	53,808	11.0	8+1
1926	500,000	60,249	12.0	8+1

SOUTHERN LOAN AND SAVINGS CO., ST. THOMAS

Distribution of Earnings

	1924	1925	1926
Earnings	$182,101	$193,590	$195,830
Interest	69,268	74,338	75,248
Expenses	14,727	15,584	16,094
Commissions	3,219	2,728	2,852
Taxes	11,397	11,730	10,663
Writ. off bldg.	983	1,000	1,000
Appro. for loss	2,485	2,543	....
	102,079	107,923	105,857
Net profits	80,022	85,667	89,973
Distribution—			
Dividends	63,000	63,000	63,000
Reserve	15,000	20,000	35,000
Balance	2,022	2,667	x8,027
Prev. bal.	19,118	21,140	23,807
P. & L. bal.	21,140	23,807	15,780

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$907,500	$69,994	7.7	6
1914	907,950	72,202	8.0	6
1915	908,950	73,670	8.2	6
1916	908,950	72,416	8.0	6
1917	900,000	74,080	8.2	6
1918	900,000	77,769	8.6	6
1919	900,000	78,057	8.6	6+1
1920	900,000	77,763	8.6	6+1
1921	900,000	77,499	8.6	6+1
1922	900,000	80,636	8.9	6+1
1923	900,000	80,443	8.9	6+1
1924	900,000	80,023	8.8	6+1
1925	900,000	85,666	9.5	6+1
1926	900,000	89,973	9.9	7+1

TORONTO MORTGAGE CO., TORONTO

Distribution of Earnings

	1924	1925	1926
Earnings	$238,832	$235,553	†$250,797
Interest—			
Sterling debs.	80,789	79,847	78,882
Currency debs.	12,371	12,939	13,935
Deposits	2,601	2,968	2,890
Charg. on money	6,775	6,581	7,081
Management	27,089	27,042	26,932
Taxes	9,347	10,517	8,630
	138,972	139,894	138,350
Net profits	99,860	95,659	112,447
Distribution—			
Dividends	72,455	72,455	72,455
Bonus	7,245	7,245	7,245
Reserve	....	50,000	....
	79,700	129,700	79,700
Balance	20,160	x34,041	32,747
Prev. bal.	48,769	68,929	34,886
P. & L. bal.	68,929	34,888	67,633

†Including $10,267 profit on sale of securities.
xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$724,550	$ 86,841	12.0	8
1914	724,550	90,437	12.6	8
1915	724,550	93,038	13.0	8
1916	724,550	95,140	13.1	8
1917	724,550	90,822	12.6	8
1918	724,550	89,542	12.4	8
1919	724,550	90,173	12.5	8+1
1920	724,550	93,386	12.9	9
1921	724,550	91,396	12.6	9
1922	724,550	88,286	12.2	10
1923	724,550	91,618	12.7	10
1924	724,550	99,860	13.7	10+1
1925	724,550	95,659	13.2	10+1
1926	724,550	112,447	16.0	10+1

TORONTO SAVINGS AND LOAN CO., PETERBOROUGH, ONT.

Distribution of Earnings

	1924	1925	1926
Profit	$154,937	$156,848	$150,428
Taxes	6,107	6,608	6,801
Net profits	148,830	150,240	143,627
Distribution—			
Dividends	120,000	140,000	120,000
Bonus	20,000	....	....
Reserve	....	100,000	20,000
Balance	8,830	x89,760	3,627
Prev. balance	89,748	98,578	8,818
P. & L. bal.	98,578	8,818	12,445

xDebit.

Rate of Earnings

Year	Capital Paid-up	Profits	p.c. Earned	Dividend
1913	$1,000,000	$157,102	15.7	10
1914	1,000,000	135,658	13.5	10
1915	1,000,000	141,668	14.2	10
1916	1,000,000	148,485	14.8	10
1917	1,000,000	150,554	15.0	10
1918	1,000,000	147,903	14.7	10
1919	1,000,000	148,389	14.8	10+4
1920	1,000,000	155,825	15.5	12+2
1921	1,000,000	156,856	15.6	12+2
1922	1,000,000	144,251	14.4	12+2
1923	1,000,000	129,822	12.9	12
1924	1,000,000	148,830	14.8	12+2
1925	1,000,000	150,240	15.0	14
1926	1,000,000	143,627	14.3	12+2

WESTERN HOMES, WINNIPEG

Distribution of Earnings

	1924 $	1925 $	1926 $
Profits	57,947	66,670	68,266
Divs. & inc. tax	53,346	67,409	54,626
Reserve	.....	.....	20,000
	53,346	67,409	74,626
Balance	4,601	x739	x6,360
Prev. bal.	27,010	31,611	30,872
P. & L. bal.	31,611	30,872	24,512

xDebit.

THE TRUST & LOAN CO. OF CANADA

Distribution of Earnings
Year end March 31

	1924 $	1925 $	1926 $
Income	1,512,915	1,548,730	1,533,405
Net profits	398,715	445,430	457,680
Distribution—			
Reserve	.....	20,215	26,340
Dividends	472,500	405,000	405,000
Contingency	.....	.....	25,000
Balance	x73,705	20,215	1,340
Prev. bal.	339,780	265,995	286,210
P. & L. bal.	265,995	286,210	287,550

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$3,000,000	$620,259	20.6	9
1914	3,000,000	620,235	20.6	9
1915	3,000,000	607,297	20.2	8
1916	3,000,000	625,020	20.8	10
1917	3,000,000	621,470	20.7	10
1918	3,000,000	634,460	21.1	12½
1919	3,000,000	550,310	18.3	15
1920	3,000,000	592,875	19.7	15
1921	6,750,000	555,130	8.3	6½
1922	6,750,000	732,855	10.8	7
1923	6,750,000	532,550	8.0	7½
1924	6,750,000	398,715	5.9	6
1925	6,750,000	445,430	6.6	6
1926	6,750,000	457,680	6.7	6

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

WESTERN CANANDA INVESTMENT LONDON, ENG.

Distribution of Earnings
To June 30

	1924 $	1925 $	1926 $
Net profits	42,015	31,540	36,485
Distribution—			
Pref. dividend	25,000	25,000	25,000
Ord. dividend	6,250	6,250	6,250
Reserve	.....	.....	5,000
Contingent	35,000	....	....
Balance	x24,235	290	235
Prev. bal.	39,250	15,020	15,310
P. & L. bal.	15,025	15,310	15,545

xDebit.
In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

WESTERN CANADA MORTGAGE CO., WINNIPEG

Distribution of Earnings

	1925	1926
Profits	$693	$4,740
Expenses	504	1,145
Res. for taxes	...	200
Net profits	189	3,395
Dividends	...	1,523
Balance	189	1,872
Prev. bal.	...	189
P. & L. bal.	189	2,061

THE
Waterloo Trust and Savings
COMPANY

OFFICES:
WATERLOO, KITCHENER, GALT

General Estates Business Transacted.

4% interest paid on Deposits.

5% interest paid on Guaranteed Investment Receipts.

Government and Municipal Bonds bought and sold.

Assets - - $6,500,000

THOS. HILLIARD, *President*
E. F. SEAGRAM, *Vice-President*
F. S. KUMPF, *2nd Vice-President*
P. V. WILSON, *Managing Director*

THE ROYAL TRUST COMPANY

Executors and Trustees

Assets Under Administration Exceed
$380,000,000

The extent of the Estate and Trust business administered by this Company is shown in the Table of Investments of the Trust Companies published elsewhere in this issue.

Head Office — MONTREAL

Branches:
MONTREAL
CALGARY, EDMONTON, HALIFAX
HAMILTON, OTTAWA, QUEBEC
SAINT JOHN, N.B., ST. JOHN'S, NFLD., TORONTO
VANCOUVER, VICTORIA, WINNIPEG

ST THOMAS
Ontario

The Southern Loan and Savings Company

Established 1870

Paid-up Capital, $900,000 — Reserve, $400,000 — Undivided Profits, $15,779.53

DIRECTORS: J. A. Bell, Vice-President. J. H. Hopkins, 2nd Vice-President.
C. W. Marlatt, J. B. Potts, E. A. Miller, C. St. C. Leitch, K.C.

MANAGER—J. W. Stewart.

SECRETARY—T. J. Nicol.

Balance Sheet — *31st December, 1926*

LIABILITIES

To the Public:		
Deposits and Accrued Interest	$ 544,507.79	
Debentures and Accrued Interest	1,112,809.95	
Reserved to pay Prior Mortgages	1,275.70	
		$1,658,593.44
To the Shareholders:		
Capital	900,000.00	
Reserve	400,000.00	
Dividend No. 47	31,500.00	
Balance forward	15,779.53	
		$1,347,279.53
		$3,005,872.97

J. W. STEWART, Manager.

ASSETS

Office Premises	$ 23,000.00
Mortgages—	
Principal	2,568,217.73
Interest due and accrued	83,993.01
Real Estate held for sale	21,967.94
Loans on Government Bonds and Company's Debentures	8,229.85
Bonds and Debentures Owned—	
Imperial War Loan	1,000.00
Dominion of Canada	253,845.87
Province of Ontario	12,210.70
City of Galt	10,187.13
Cash at Bankers	13,192.12
Cash on hand	10,078.62
	$3,005,872.97

Chief Trust Companies'

Earnings Records Analyzed for This Issue

ACADIA TRUST CO., TRURO, N.S.

Distribution of Earnings

	1924	1925	1926
Earnings	$ 40,609	$ 43,887	$ 45,069
Expenses	8,871	9,911	9,645
Profits	31,738	33,976	35,424
Reserve	....	....	100,000
Balance	31,738	33,976	x64,576
Prev. bal.	84,762	116,500	150,477
P. & L. bal.	116,500	150,476	85,901

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1922	$200,000	$27,727	13.8	..
1923	200,000	28,658	14.3	..
1924	200,000	31,738	15.8	..
1925	200,000	33,976	16.9	..
1926	295,496	35,424	12.0	..

BRANTFORD TRUST CO., BRANTFORD

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	26,457	26,566	29,759
Taxes	2,609	2,850	2,970
Expenses	4,056	4,493	5,258
	6,665	7,343	8,228
Net profits	19,792	19,223	21,531
Dividends	18,000	18,000	18,000
Balance	1,792	1,223	3,531
Prev. balance	3.335	5,126	6,349
P. & L. balance	5,127	6,349	9,880

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$300,000	$17,910	6.0	5
1914	300,000	19,791	6.6	5½
1915	300,000	19,507	5.6	6
1916	300,000	19,520	6.6	6
1917	300,000	19,750	6.7	6
1918	300,000	19,056	6.3	6
1919	300,000	18,588	6.3	6
1920	300,000	19,231	6.4	6
1921	300,000	18,999	6.3	6
1922	300,000	17,716	5.9	6
1923	300,000	18,186	6.0	6
1924	300,000	19,792	6.5	6
1925	300,000	19,223	6.4	6
1926	300,000	21,531	7.1	6

BRITISH CANADIAN TRUST CO., LETHBRIDGE

Distribution of Earnings

	1924	1925	1926
Earnings	$ 10,012	$ 9,160	$ 9,105
Expenses	5,495	4,945	4,770
Income tax	114	172	120
Net profit	4,403	4,043	4,215
Distribution—			
Dividends	3,680	3,776	3,850
Reserve	390	....	500
Balance	373	267	x135
Prev. bal.	1,036	1,368	1,634
P. & L. bal.	1,409	1,635	1,499

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1920	$42,071	$3,209	7.6	6+2
1921	43,335	4,261	9.9	6+2
1922	44,937	4,671	10.6	6+2
1923	45,903	4,216	9.3	6+2
1924	46,786	4,443	9.6	6+2
1925	48,126	4,003	8.6	6+2
1926	49,050	4,215	8.7	6+2

CAN. GUARANTY TRUST CO., BRANDON

Distribution of Earnings

	1924 $	1925 $	1926 $
Net profits	6,027	15,168	12,805
Distribution—			
Dividends	.....	8,994	9,134
Contingent	16,000	2,000	5,000
Balance	*9,973	4,174	*1,329
Prev. balance	12,029	2,056	6,230
P. & L. bal.	2,056	6,230	4,901

*Debit.

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1914	$190,667	$17,462	9.4	.
1915	191,242	21,249	11.2	5
1916	192,652	13,188	9.0	5
1917	194,119	14,076	7.5	5
1918	198,952	14,897	7.7	5
1919	240,925	17,761	8.8	6
1920	263,637	22,667	9.0	6
1921	267,964	21,063	8.0	6
1922	270,045	17,278	6.4	6
1923	272,151	5,189	2.0	.
1924	295,114	6,027	2.0	.
1925	299,834	15,168	5.0	3
1926	304,499	12,805	4.2	3

BRITISH WESTERN TRUST CORP., REGINA

Distribution of Earnings

	1924	1926
Profits	$7,892	$7,227
Expenses	908	852
Taxes	501	332
Net profits	6,483	6,043
Dividend	5,095	5,101
Balance	1,388	942
Prev. bal.	19,048	20,296
P. & L. bal.	20,436	21,238

CANADA TRUST CO., LONDON, ONT.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	124,298	129,375	133,747
Taxes	16,955	20,527	18,048
Net profits	107,343	108,848	115,699
Distribution—			
Dividends	89,991	90,000	95,000
Reserve	....	25,000	....
	89,991	115,000	95,000
Balance	17,352	* 6,152	20,699
Prev. bal.	1,041	18,393	12,241
P. & L. balance	18,393	12,241	32,940

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$672,732	$63,990	9.5	5
1914	1,000,000	101,068	10.1	6
1915	1,000,000	117,009	11.7	6
1916	1,000,000	121,692	12.1	6
1917	1,000,000	126,174	12.6	7
1918	1,000,000	125,319	12.5	8
1919	1,000,000	120,147	12.0	8
1920	1,000,000	144,878	14.4	8+4
1921	1,000,000	157,724	15.7	8+4
1922	1,000,000	83,629	8.3	8
1923	1,000,000	94,018	9.4	8
1924	1,000,000	107,343	10.7	9
1925	1,000,000	108,848	10.8	9
1926	1,000,000	115,699	11.5	9½

CAPITAL TRUST CORP., OTTAWA

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	42,528	37,284	39,051
Distribution—			
Dividends	23,371	23,512	24,145
Contingent	15,000	10,000	.....
Off assets	15,0000	15,000	4,705
	53,371	48,512	28,850
Balance	*10,843	*11,228	10,201
Prev. bal.	56,2422	45,399	34,171
P. & L. bal.	45,399	34,171	44,372

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1918	$404,065	$19,354	4.8	4
1919	488,241	26,375	5.4	4
1920	546,063	27,256	5.6	4
1921	564,404	20,209	3.8	4
1922	580,578	41,344	7.1	.
1923	590,896	42,001	7.1	.
1924	596,569	42,528	7.3	4
1925	603,648	37,284	6.3	4
1926	614,921	39,051	6.4	4

CROWN TRUST COMPANY, MONTREAL

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	136,135	147,750	154,707
Expenses	80,888	91,568	99,013
Prov. for taxes	.....	.....	5,393
Net profits	56,247	56,182	50,301
Distribution—			
Dividends	30,000	30,000	30,000
Reserve	25,000	25,000	25,000
Balance	247	1,182	*4,699
Prev. balance	20,537	20,783	21,965
P. & L. bal.	20,784	21,965	17,266

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1918	$500,000	$34,754	6.9	6
1919	500,000	44,326	8.8	6
1920	500,000	55,100	11.0	6
1921	500,000	41,998	8.3	6
1922	500,000	50,561	10.1	6
1923	500,000	52,588	10.5	6
1924	500,000	55,246	11.0	6
1925	500,000	56,181	11.2	6
1926	500,000	*50,301	10.0	6

*Less provision for taxes.

CANADA PERMANENT TRUST CO., TORONTO

Distribution of Earnings

	1924 $	1925 $	1926 $
Net profits	80,146	85,398	91,248
Distribution—			
Dividends	50,000	50,000	60,000
Reserve	20,000	25,000	25,000
Balance	10,146	10,398	6,248
Prev. balance	6,103	16,249	26,647
P. & L. balance	16,249	26,647	32,895

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1918	$ 259,000	$19,412	7.5	.
1919	1,000,000	63,672	7.3	4
1920	1,000,000	75,289	7.5	5
1921	1,000,000	65,134	6.5	5
1922	1,000,000	70,833	7.0	5
1923	1,000,000	74,552	7.4	5
1924	1,000,000	80,146	8.0	5
1925	1,000,000	85,398	8.5	5
1926	1,000,000	91,248	9.1	5+1

CHARTERED TRUST AND EXECUTOR CO., TORONTO

Distribution of Earnings

	1924	1925	1926
Profits	$ 39,802	$ 57,607	$ 46,561
Prov. for tax	7,500	2,892	3,135
Taxes	4,066	3,958	3,916
Net profits	28,236	30,757	39,510
Reserve	....	....	10,000
Dividends	36,251	28,636	26,046
Balance	x8,015	2,121	3,464
Prev. bal.	1,830	3,814	5,935
Trans. from res.	10,000	....	....
P. & L. bal.	3,815	5,935	9,399

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1919	$446,862	$48,368	11.5	7
1920	479,937	37,644	8.0	7
1921	484,456	35,670	7.4	7
1922	515,556	45,776	9.1	7
1923	516,802	17,073	3.3	7
1924	519,303	28,236	5.4	7
1925	520,882	30,757	5.9	5½
1926	520,942	39,510	7.6	5

EASTERN TRUST COMPANY, HALIFAX

Distribution of Earnings

	1924	1925	1926
Earnings	$140,068	$140,061	$100,386
Directors' fees	12,750	9,250	9,250
Subscription	2,000	1,000	....
Prov. N. S.	....	....	200
Writ. off	698	5,360	3,518
Taxes	14,764	16,752	2,243
Tax reserve	....	16,000	5,643
	30,212	48,362	20,854
Net profits	109,856	91,699	79,532
Distribution—			
Dividends	100,000	85,000	80,000
Div. reserve	....	20,000	....
Balance	9,856	x13,301	x468
Prev. bal.	10,710	20,565	7,264
P. & L. bal.	20,566	7,264	6,796

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$ 904,000	$ 80,899	10.6	7
1914	931,000	78,244	8.9	8
1915	1,000,000	89,156	9.5	8
1916	1,000,000	91,000	9.2	8
1917	1,000,000	95,581	9.5	8
1918	1,000,000	101,679	10.1	8
1919	1,000,000	118,019	11.8	9
1920	1,000,000	102,348	10.2	9
1921	1,000,000	103,917	10.3	*10
1922	1,000,000	93,394	9.3	10
1923	1,000,000	92,879	9.2	10
1924	1,000,000	109,856	10.9	10
1925	1,000,000	91,699	9.1	8½
1926	1,000,000	79,532	7.9	8

*Increased to 10 per cent. during the year.

CONSOLIDATED TRUSTS CORP., LONDON, ONT.

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	13,481	13,969	15,549
Taxes	2,160	1,330	2,011
Net profits	11,321	12,639	13,538
Reserve	10,000	15,000	10,000
Balance	1,321	*2,361	3,538
Prev. bal.	3,434	4,755	2,394
P. & L. bal.	4,755	2,394	5,932

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1918	$255,837	$ 3,903	1.5	.
1919	256,012	11,418	4.5	.
1920	256,012	9,863	3.8	.
1921	257,012	11,760	4.7	.
1922	257,212	12,366	5.0	.
1923	257,212	12,027	4.7	.
1924	257,212	11,321	4.4	.
1925	257,998	12,639	4.9	.
1926	257,998	13,538	5.2	.

FIDELITY TRUST CO., WINNIPEG

Distribution of Earnings

	1924	1925	1926
Earnings	$ 2,180	$ 7,153	$ x5,632
Written off	16,535	6,838	7,593
	14,355	315	x13,225
Bal. forward	19,083	4,728	5,043
Balance	4,728	5,043	x8,182

xLoss.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1923	$526,800	$ 1,069	0.2	.
1924	526,800	14,355	2.7	.
1925	526,800	315	..	.
1926	526,800	x13,225	..	.

xLoss.

FIDELITY TRUSTS COMPANY OF ONTARIO, LONDON

Distribution of Earnings

	1926
Earnings	$6,335
Expenses	3,860
Taxes	949
Fees	545
	5,354
Balance	981
Prev. balance	3,566
P. & L. balance	$4,547

THE GUELPH TRUST CO., GUELPH

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	31,659	29,484	30,450
Taxes	3,384	3,950	3,092
Net profits	28,275	25,534	27,358
Distribution—			
Dividends	14,950	14,950	14,950
Reserve	10,000	10,000	10,000
Balance	3,325	584	2,408
Prev. bal.	10,513	13,838	14,423
P. & L. bal.	13,838	14,422	16,831

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Div.
1918	$292,500	$22,032	7.6	5
1919	292,500	20,906	7.2	5
1920	292,500	23,649	8.1	5
1921	295,500	25,863	8.9	5
1922	298,500	26,831	9.2	5
1923	299,000	26,388	8.8	5
1924	299,000	28,275	9.3	5
1925	299,000	25,534	8.5	5
1926	299,000	27,358	9.1	5

*Less taxes.

(Continued on page 30)

From Assets of $500,000.00 in 1900 to $19,129,216.00 in 1926

Evidence of the faith of a growing clientele, in our ability to administer Estates.

Our development is evidence that we handle Estates conscientiously and economically.

Comparison of Assets, showing consistent increases, founded on the confidence of our customers:

	Total Assets
1900	$ 500,000.00
1905	2,252,801.19
1910	4,428,810.47
1915	6,868,817.75
1920	11,849,024.92
1924	14,869,033.69
1925	16,403,203.35
1926	19,129,216.00

The London & Western Trusts is Western Ontario's Trust Company. It confines its work to that section of the Province. It does not engage in any work that is alien to a Trust Company's proper functions.

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COL. T. S. HOBBS, *Vice-President*
A. M. SMART, *Vice-President*
C. R. Somerville — Col. W. M. Gartshore — John Pringle
John M. Dillon — A. McPherson — Geo. C. Gunn
Geo. G. Moncrieff — George Mair — Gordon J. Ingram
Colin M. Duffield — Ray F. Lawson
JOHN S. MOORE, *Manager*

THE LONDON & WESTERN TRUSTS CO., Limited
LONDON, ONTARIO

Strength in Direction

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Sir Joseph Flavelle, Bart.

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President Central Canada Loan and Savings Company

W. E. Rundle
General Manager National Trust Company, Limited

Herbert C. Cox
President The Canada Life Assurance Company

The Honourable Sir Edward Kemp K.C.M.G.

H. H. Fudger
President The Robert Simpson Company, Limited

H. B. Walker
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Chairman Canadian Committee of the Hudson's Bay Company and Member of the London Board

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Member Canadian Committee of the Hudson's Bay Company

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W. H. McWilliams
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Walter Molson
Director Lake of the Woods Milling Company, Limited
Reliance Insurance Company of Canada

Lt.-Col. William Leggat, M.C.
Of Messrs. Leggat, Cassils & Company

National Trust Company
Limited

Capital, Reserve and Undivided Profits **$6,000,000**
Assets Under Administration **$157,000,000**

20 King Street East, Toronto

Montreal — Hamilton — Winnipeg — Edmonton — Saskatoon
London, England

The Trust Companies

(Continued from page 29)

THE IMPERIAL TRUST CO. OF CANADA TORONTO

Distribution of Earnings

	1924 $	1925 $	1926 $
Net profits	2,274	14,330	481
Distribution— Dividends	.....	7,445	.....
Balance	2,274	6,885	481
Prev. bal.	26,191	28,465	35,350
P. & L. bal.	28,465	35,350	35,831

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1919	$205,526	$13,573	6.7	3
1920	214,179	22,857	11.4	6
1921	226,036	14,687	6.9	6
1922	238,183	26,447	12.0	6
1923	248,044	5,266	2.2	6
1924	248,164	2,274	0.9	.
1925	248,164	14,330	5.7	3
1926	248,164	481	..	.

LONDON AND WESTERN TRUSTS CO., LONDON

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	80,437	84,020	86,042
Taxes	14,734	14,643	14,309
Net profits	65,703	69,377	71,653
Distribution—			
Dividends	35,000	35,000	40,000
Reserves	25,000	25,000	25,000
Dep. reserve	5,420	5,775	5,284
	65,420	65,775	70,284
Balance	283	3,602	1,369
Prev. bal.	13,261	13,543	17,145
	13,544	17,145	18,514

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Div
1913	$400,000	$37,368	9.5	6
1914	484,195	45,676	9.7	6½
1915	500,000	53,486	10.8	7
1916	500,000	51,651	10.3	7
1917	500,000	50,551	10.1	7
1918	500,000	53,113	10.6	7
1919	500,000	61,135	12.2	7
1920	500,000	64,069	12.8	7
1921	500,000	27,273	5.4	7
1922	500,000	102,161	20.4	7
1923	500,000	67,586	13.5	7
1924	500,000	65,703	13.1	7
1925	500,000	69,377	13.8	7
1926	500,000	71,653	14.3	8

*Taxes deducted.

MONTREAL TRUST COMPANY, MONTREAL

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	280,089	303,567	336,343
Income tax	23,740	28,238	43,325
Subscription	2,000	2,000	.....
Net profit	254,349	273,329	293,018
Distribution—			
Dividends	140,000	150,000	160,000
Reserve	500,000	.....	250,000
Pension fund	.....	.....	5,000
Balance	*385,651	123,329	*121,982
Prev. bal.	473,150	87,499	210,828
P. & L. bal.	87,499	210,828	88,846

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1920	$1,000,000	$201,297	20.1	10
1921	1,000,000	201,977	20.1	10
1922	1,000,000	220,943	22.0	12
1923	1,000,000	239,515	23.9	12
1924	1,000,000	254,349	25.4	12
1925	1,000,000	273,329	27.3	15
1926	1,000,000	293,018	29.3	16

LA SOCIETE D'ADMINISTRATION GENERALE, MONTREAL

Distribution of Earnings

	1924	1925	1926
Profits	$ 36,728	$ 40,002	$ 42,447
Depreciation	8,000	3,000	2,700
Prov. for loss	4,000	....	....
Net profits	24,728	37,002	39,747
Dividends	20,000	20,000	20,000
Balance	4,728	17,002	19,747
Prev. bal.	40,162	44,890	61,892
P. & L. bal.	44,890	61,892	81,639

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1923	$250,000	$33,839	13.5	8
1924	250,000	24,728	9.9	8
1925	250,000	37,002	14.8	8
1926	250,000	39,747	15.8	8

NATIONAL TRUST COMPANY, TORONTO

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	358,262	376,693	402,647
Income tax	61,769	60,073	63,022
Net profits	296,493	315,620	339,625
Distribution—			
Dividends	270,000	270,000	270,000
Off premises	109,286	.....	.....
Ins. reserve	.....	.....	50,000
Balance	*82,893	45,620	19,625
Prev. bal.	204,540	121,646	167,266
P. & L. bal.	121,647	167,266	186,891

*Debit.

Rate of Earnings

Year	Paid-up Capital	†Profits	Earned p.c.	Div.
1913	$1,500,000	$252,022	16.8	10
1914	1,500,000	237,869	15.8	10
1915	1,500,000	218,902	14.9	10
1916	1,500,000	222,754	14.8	10
1917	1,500,000	226,080	15.0	10
1918	1,500,000	239,784	15.9	10
1919	1,500,000	247,440	16.4	10
1920	2,000,000	235,025	14.0	11
1921	2,000,000	276,865	13.8	12
1922	2,000,000	276,598	13.8	12
1923	2,000,000	286,660	14.3	12
1924	2,250,000	*296,493	13.1	12
1925	2,250,000	315,620	14.0	12
1926	2,250,000	339,625	15.0	12

*Includes $109,386 paid for remodelling head office premises.
†Less taxes.

NOVA SCOTIA TRUST CO., HALIFAX

Distribution of Earnings

	1924	1925	1926
Profits	$ 32,820	$ 38,695	$ 42,263
Taxes	3,049	3,228	2,985
Directors' fees	2,200	2,200	2,275
Written off	4,312	9,788	1,057
Tax res., etc	....	....	2,500
Net profits	23,259	23,479	33,446
Dividends	22,921	23,478	24,619
	338	1	8,827
Prem. on stock	530	2,070	....
	868	2,071	8,827
Reserve	1,500	2,000	5,000
Balance	x632	71	3,827
Prev. bal.	8,670	8,037	8,108
P. & L. bal.	8,038	8,108	11,935

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1919	$236,675	$26,672	11.3	7
1920	240,000	24,146	10.4	7
1921	250,000	21,427	9.0	7
1922	300,080	21,172	8.4	7
1923	325,400	21,852	7.5	7
1924	331,000	23,259	7.1	7
1925	351,700	23,479	7.0	7
1926	351,700	33,446	9.5	7

NORTHERN TRUSTS CO., WINNIPEG

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	56,446	69,848	90,076
Dividends	45,000	....	60,000
Balance	11,446	69,848	30,076
Adjust. of int.	11,981	.....	.....
Prev. bal.	50,822	74,249	144,097
P. & L. bal.	74,249	144,097	174,173

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$1,498,510	$168,406	11.4	7
1914	1,500,000	166,092	11.1	8
1915	1,500,000	162,524	10.8	8
1916	1,500,000	154,113	10.3	8
1917	1,500,000	129,344	8.6	.
1918	1,500,000	127,697	8.5	8
1919	1,500,000	137,265	9.1	8
1920	1,500,000	136,448	9.0	8
1921	1,500,000	130,910	8.7	8
1922	1,500,000	133,215	8.8	8
1923	1,500,000	104,141	6.9	8
1924	1,500,000	56,446	3.7	3
1925	1,500,000	69,848	4.6	.
1926	1,500,000	90,076	6.0	4

THE OCCIDENTAL TRUST CO., WAWANESA, MAN.

Distribution of Earnings

	1924	1925	1926
Earnings	$ 8,915	$ 7,746	$ 8,440
Expenses	691	786	641
Taxes	884	284	856
	1,575	1,070	1,497
Net profits	7,340	6,675	6,943
Dividends	5,186	5,742	5,742
Balance	2,154	933	1,201
Prev. bal.	34,645	36,798	42,577
Profit on bonds	....	4,846	....
P. & L. bal.	36,799	42,577	43,778

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1924	$115,690	7,340	6.3	.
1925	115,690	6,675	5.7	.
1926	116,315	6,943	5.9	.

PREMIER TRUST CO., LONDON

Distribution of Earnings

	1924 $	1925 $	1926 $
Earnings	22,976	23,932	25,336
Expenses	5,099	5,218	6,093
Interest	5,963	7,989	7,417
Taxes	1,695	1,751	2,549
Written off	1,350	937	712
	14,107	15,895	16,771
Profits	8,869	8,037	8,565
Distribution—			
Dividends	7,931	8,293	8,800
Reserve	1,000	.....	.....
*Balance	62	256	235
Prev. bal.	1,114	1,053	796
P. & L. bal.	1,052	797	561

*Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1918	$115,660	$4,727	4.1	4
1919	123,560	6,823	5.7	4
1920	127,794	7,850	6.1	5
1921	131,171	7,168	5.4	5
1922	135,237	8,721	6.7	5¼
1923	139,857	8,607	6.2	5½
1924	148,293	8,869	6.0	5½
1925	160,000	8,037	5.0	5½
1926	160,000	8,565	5.3	5½

PRUDENTIAL TRUST CO., MONTREAL

Distribution of Earnings

	1924	1925	1926
Gross Rev.	$108,466	$ 96,517	$105,121
Oper. Exp.	104,206	95,694	103,423
	4,260	823	1,698
Reinstated Assets	....	....	14,000
Forfeited Shares	....	....	69,925
Net profits	4,260	823	85,623
Revaluating Assets	4,500	42,146	2,000
Home Bank	....	38,855	....
	x240	x80,178	83,623
Prev. bal.	x152,666	x152,906	x233,084
P. & L. bal.	x152,906	x233,084	x149,461

xDeficit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1923	$686,915	$ 2,342	0.3	.
1924	686,915	4,260	0.6	.
1925	686,915	823	0.1	.
1926	711,756	85,623	12.0	.

SASK. MORTGAGE & TRUST CORPORATION, REGINA

	1924	1925	1926
Profits	$ 28,523	$ 33,967	$ 48,497
Taxes	1,095	3,356	4,873
Writ. off trust loans	16,004	....	....
Alter. to bldg.	7,164	....	....
	24,263	3,356	4,873
Net profits	4,260	30,611	43,624
Distribution—			
Dividends	....	....	20,613
Int. on stock	$ 706	....	....
Reserve	9,617	30,000	20,000
Balance	x6,063	611	3,011
Prev. bal.	8,754	2,691	3,302
P. & L. bal.	2,691	3,302	6,313

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1918	$791,043	$54,413	7.8	6
1919	808,705	56,669	7.7	6
1920	824,070	50,944	6.6	6
1921	826,814	50,793	6.5	6
1922	829,427	45,568	5.7	3
1923	831,939	22,134	2.8	4
1924	833,875	4,260	0.5	.
1925	832,974	30,611	3.6	.
1926	834,960	43,624	5.2	2½

THE SHERBROOKE TRUST COMPANY, SHERBROOKE

Distribution of Earnings

	1924	1925	1926
Earnings	$ 65,127	$ 72,778	$ 80,213
Interest	22,825	27,048	32,003
Expenses	14,045	14,555	16,763
Income tax	2,114	2,280	1,461
	38,984	43,883	50,227
Net profits	26,143	28,895	29,986
Surp. on bonds	....	215	....
	26,143	29,110	29,986
Distribution—			
Dividends	15,000	15,000	15,000
Reserve	10,000	15,000	15,000
Balance	1,143	x 890	x 14
Prev. bal.	5,749	6,891	6,001
P. & L. bal.	6,892	6.001	5,987

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$165,000	$12,337	7.4	6
1914	165,000	12,106	7.3	6
1915	165,000	12,239	7.4	6
1916	165,000	13,710	8.3	6
1917	165,000	14,671	9.0	6
1918	165,000	13,165	8.0	6
1919	165,000	14,244	8.6	6
1920	165,000	15,578	9.4	6
1921	200,000	x17,519	9.2	6
1922	250,000	x22,552	9.6	6
1923	250,000	x24,518	9.8	6
1924	250,000	x26,143	10.4	6
1925	250,000	x28,895	11.5	6
1926	250,000	x29,986	11.9	6

xLess provision for income tax.

SASKATCHEWAN GENERAL TRUSTS CORP., REGINA

Distribution of Earnings

	1924	1925	1926
Profits	$ 14,007	$ 16,624	$ 21,550
Tax reserve	1,147	1,439	1,720
Net profits	12,860	15,185	19,830
Dividends	10,513	10,655	10,968
	2,347	4,530	8,862
Prem. on stock	58	200	....
	2,405	4,730	8,862
Reserve	5,000	5,000	5,000
Balance	x2,595	x270	3,862
Prev. bal.	4,511	1,916	1,645
P. & L. bal.	1,916	1,646	5,507

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1919	$122,227	$ 8,546	8.1	6
1920	113,897	9,443	8.3	6
1921	131,421	8,779	7.2	6
1922	165,153	10,033	6.6	6
1923	173,716	11,659	6.8	6
1924	175,914	12,860	7.3	6
1925	178,412	15,185	8.5	6
1926	184,433	19,830	10.8	6

THE STANDARD TRUSTS COMPANY, WINNIPEG

Distribution of Earnings

	1924	1925	1926
Earnings	$124,154	$138,257	$147,979
Expenses	83,363	91,323	95,281
Taxes	10,666	10,558	12,623
	94,029	101,881	107,904
	30,125	36,376	40,075
Off invest.	53,669	36,339	....
	x23,544	37	40,075
Reserve	....	....	50,000
Balance	x23,544	37	x9,925
Prev. bal.	76,060	52,515	52,551
P. & L. bal.	52,516	52,552	42,626

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$ 750,000	$135,348	20.0	9
1914	750,000	118,155	15.7	9
1915	750,000	98,265	13.2	9
1916	750,000	87,919	11.7	9
1917	750,000	94,171	12.5	9
1918	1,000,000	83,785	10.9	9
1919	1,000,000	111,004	11.1	9
1920	1,000,000	11,822	10.1	9
1921	1,000,000	75,450	7.5	7
1922	1,000,000	56,113	5.6	5
1923	1,000,000	26,027	2.6	.
1924	1,000,000	30,124	3.0	.
1925	1,000,000	36,376	3.6	.
1926	1,000,000	40,075	4.0	.

STERLING TRUSTS CORP., TORONTO

Distribution of Earnings

	1924	1925	1926
Net earnings	$ 41,499	$ 48,065	$ 54,547
Taxes	6,156	6,080	6,581
	35,343	41,985	47,966
Distribution—			
Dividends	34,202	34,623	34,875
Reserve	....	25,000	15,000
Balance	1,141	x17,638	x1,909
Prev. bal.	25,857	26,997	9,359
P. & L. bal.	26,998	9,359	7,450

xDebit.

Rate of Earnings

Year	Paid-up Capital	xProfits	Earned p.c.	Dividend
1918	$480,440	$24,004	5.0	.
1919	501,302	62,196	12.4	.
1920	501,302	34,410	6.9	.
1921	501,302	11,756	2.3	.
1922	509,716	31,452	6.2	.
1923	568,019	32,096	6.5	6
1924	575,010	35,343	6.2	6
1925	579,298	41,985	7.2	6
1926	582,798	47,966	8.2	6

xLess taxes.

SUN TRUST COMPANY

This company's financial statement does not show the profit and loss account. The balance sheet may be summarized as follows:

Assets	
Cash, etc.	$ 80,582
Investments	129,406
Real Estate	4,216
Unpaid Capital	89,568
Assets under administration, etc.	19,846,441
Total	$120,150,214
Liabilities	
Current liabilities	$ 2,933
Tax reserve	713
Capital subscribed	250,000
Surplus	50,126
Total	$20,150,214

TORONTO GENERAL TRUSTS CORP., TORONTO

Distribution of Earnings

	1924	1925	1926
Earnings	$948,487	x$381,941	x$390,079
Expenses	570,797	....	....
Taxes	19,000	51,925	48,000
Written off	50,000	13,000	....
Income tax	35,000	....	....
	674,797	64,925	48,000
Net profits	273,690	317,016	342,079
Distribution—			
Dividends	240,000	240,000	240,000
Cont. reserve	....	50,000	100,000
	240,000	290,000	340,000
Balance	33,690	27,016	2,079
Prev. bal.	73,674	107,364	134,380
P. & L. bal.	107,364	134,380	136,459

xExpenses deducted.

Rate of Earnings

Year	Paid-up Capital	xProfits	Earned p.c.	Dividend
1913	$1,500,000	$277,889	18.5	10
1914	1,500,000	308,126	20.0	10
1915	1,500,000	312,826	20.8	10
1916	1,500,000	270,883	18.0	10
1917	1,500,000	252,886	17.0	10
1918	1,500,000	266,369	18.0	10+1
1919	1,500,000	292,717	19.4	10+2
1920	1,726,960	287,646	19.1	11+1
1921	2,000,000	271,806	15.1	12
1922	2,000,000	183,969	9.1	12
1923	2,000,000	299,326	14.9	12
1924	2,000,000	273,690	13.6	12
1925	2,000,000	317,016	15.8	12
1926	2,000,000	342,079	17.1	12

xAfter deducting taxes and amount written off.

TRUSTS AND GUARANTEE CO., TORONTO

Distribution of Earnings

	1924	1925	1926
Earnings	$113,102	$110,570	$147,748
Taxes	15,644	16,718	....
Net profits	97,458	93,852	147,748
Dividends	85,823	86,200	†100,251
Writ. off secs.	....	25,018	38,738
Balance	11,635	x17,366	8,759
Prev. bal.	153,637	165,271	147,905
P. & L. bal.	165,272	147,905	156,664

xDebit.
†Includes taxes.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1913	$1,350,547	$125,082	9.3	6
1914	1,361,616	106,077	7.8	6
1915	1,369,314	102,261	7.5	6
1916	1,380,655	105,146	7.8	6
1917	1,388,364	107,966	7.8	6
1918	1,391,928	107,543	7.7	6
1919	1,402,469	110,175	7.9	6
1920	1,409,109	111,975	8.0	6
1921	1,410,660	100,143	7.1	6
1922	1,427,443	97,637	7.0	6
1923	1,429,709	96,282	6.7	6
1924	1,431,061	97,458	6.8	6
1925	1,438,257	93,852	6.5	6
1926	1,442,873	x147,748	10.2	6

xBefore deducting taxes.

(Continued on page 31)

I RESOLVE—

I RESOLVE that today I will give some thought to the protection of my family and those dependent upon me.

I RESOLVE that I will put my financial affairs in order, review my investments, and provide for the future, not so much for my own sake, but so that I may fulfill those obligations which are the direct responsibility of every family head.

I RESOLVE that in order to obtain the best services available for carrying out these resolutions, I will place my financial affairs in charge of a trust company—whose special business it is to handle investments, to act as custodian of securities, and as executor and trustee of my estate.

I RESOLVE that I will procrastinate no longer and that I will do this NOW.

This Corporation stands ready to assist you in carrying out the above resolutions.

The
TORONTO GENERAL TRUSTS CORPORATION

W. G. WATSON, *General Manager* — H. M. FORBES, *Asst. General Manager*

Toronto Ottawa Winnipeg Saskatoon Vancouver
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What Will Become of Your Insurance Money

THERE is only one way to fully insure the effective use of your insurance money, and that is to provide now for a definite plan outlining its investment or distribution.

The Life Insurance Trust is just such a plan.

It enables you to say who shall handle this fund, how it shall be invested, to whom and how the income shall be paid, and what disposition shall be made of the principal. In short, it enables you to surround insurance money with every safeguard.

The Trusts and Guarantee Company, Limited, is legally authorized to act in any Trust capacity.

Correspondence and Interviews Solicited

THE
TRUSTS AND GUARANTEE COMPANY, LIMITED
TORONTO

Calgary Brantford Windsor

JAMES J. WARREN, *President.* — E. B. STOCKDALE, *General Manager.*
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Trustee, Executor, Administrator, Assignee, Transfer Agent, or Registrar of Stocks and Bonds of Companies.

FIRST MORTGAGE LOANS at current rates receive our special attention.

OUR CHIEF work is the administration of Estates under Will, the cost of this expert service being no more than that of an individual executor.

We invite consultation on any of the above matters, free of charge, in person at our offices or by mail.

CAPITAL TRUST CORPORATION, LIMITED

10 Metcalfe Street, OTTAWA — 174 Bay Street, TORONTO

Crown Trust Company

Executors - Trustees - Financial Agents

AUTHORIZED CAPITAL - $1,000,000
PAID-UP CAPITAL - 500,000
RESERVE FUND - - 200,000

BOARD of DIRECTORS

WILLIAM I. GEAR, *President*
ARTHUR LYMAN, *Vice-President*

GERALD W. BIRKS — EDWARD C. PRATT
F. G. DANIELS — J. A. MANN, K.C.
A. O. DAWSON — R. W. REFORD
H. B. HENWOOD — IRVING P. REXFORD
ARTHUR J. HODGSON — JAMES G. ROSS
JOHN JENKINS — JOHN W. ROSS
H. M. LAMBERT — ARNOLD WAINWRIGHT, K.C.
ARTHUR B. WOOD

IRVING P. REXFORD, *General Manager*
W. HESPELER JACKSON, *Assistant Manager*

Enquiries regarding the Company's services, either by interview or correspondence, are cordially invited.

OFFICES and SAFETY DEPOSIT VAULTS
233 ST. JAMES STREET :: MONTREAL

MUNICIPALITIES IN DEFAULT ARE MAKING PROGRESS

Arrangements Being Carried Out Well in Most Centres

The wide interests of the Dominion Mortgage and Investments' Association brings within the purview of its activities the negotiation of practically all settlements arrived at with municipalities that default in their debentures.

The report of the municipal finances committee of the association therefore covers practically the whole field of municipal defaults in Canada. Debenture holders of these municipalities will find in this report, which is given almost in entirety herewith, a survey of their present position in each case:

The following table sets out the amount involved in those readjustments together with their present status:

Indebtedness Involved (By Provinces)

	Consolidated Debt	Remarks
Alberta:		
Athabasca	$ 234,495.00	1921 settlement reopened
Bassano	298,265.00	Adjustment in effect
Beverly	64,712.00	Enquiry incomplete
Bow Island	108,000.00	Previous settlement reopened
Carmanguay	22,000.00	Adjustment pending
Chamberlain S.D. No. 1,513	4,667.00	Adjustment effected
Macleod	638,000.00	Meeting adjusted payments
Redcliff	527,005.00	Adjustment in effect
Taber	205,720.00	Adjustment in effect
Tofield	107,000.00	Meeting adjusted payments
	$ 2,209,864.00	
British Columbia:		
Port Coquitlam	$ 600,000.00	Gradually catching up on arrears
Manitoba:		
St. James and Assiniboia	$ 3,702,726.00	Adjustment effected
St. Vital	1,452,041.00	Adjustment effected
Transcona	1,037,901.00	Adjustment effected
West Kildonan and Kildonan	1,250,738.00	Adjustment effected
Goose Lake S.D. No. 1,283	66,000.00	Enquiry pending
	$ 7,509,406.00	
Quebec:		
Aylmer	$ 992,000.00	Enquiry pending
Saskatchewan:		
Battleford	$ 902,600.00	Meeting adjusted payments
Canora	143,000.00	Gradually catching up on arrears
Humbolt	756,023.00	Meeting adjusted payments
Melville	395,721.00	Meeting adjusted payments
St. Henry R. C. S. D. No. 5	13,695.00	Under consideration
North Battleford P. S. D. No. 1,438	124,476.00	Meeting adjusted payments
North Battleford R. C. S. D. No. 16	21,131.00	Meeting adjusted payments
Prince Albert	3,609,277.00	Meeting adjusted payments
Scott	182,000.00	Meeting adjusted payments
Sutherland	287,788.00	Meeting adjusted payments
Swift Current	1,409,535.00	Meeting adjusted payments
	$ 7,845,246.00	
Grand Total	$19,156,516.00	

General Survey of Situation

Attention has been given to the situation in certain municipalities suburban to Winnipeg. An adjustment has been approved by 80 per cent. of the debenture holders interested. The formal agreement is being submitted to the Manitoba legislature at its present session for ratification.

The committee representing the holders of Swift Current debentures has arrived at a modified extended agreement to take the place of that which expires at the end of the present year. The new agreement has been ratified by the Saskatchewan legislature.

There has been default on the part of the town of Aylmer, in the Province of Quebec, and the town of Eastview in the province of Ontario. Steps have been initiated to protect the interest of the debenture holders interested.

Alberta

Athabasca.—The committee called together holders of debentures issued by this town and school district. This meeting resulted in the formation of a debenture holders' committee, which has memorialized the Alberta government, setting out the position and claims of the debenture holders in this connection. Receipt of this memorial has been acknowledged by the Alberta government.

Bassano.—The readjustment proposed has now been approved of by the necessary 60 per cent. of the debenture holders and assented to by the lieutenant-governor-in-council of Alberta, so that it is now effective. Debenture holders have been requested to forward their holdings to Bassano for exchange.

Beverley.—The plan of readjustment of the affairs of this town and school district is still under consideration, but no definite plan has yet been submitted by the board of public utility commissioners.

Bow Island.—The matter of adjustment of this town and school district, and the tentative plan of adjustment submitted by the board of public utility commissioners, has been forwarded to the larger debenture holders.

Carmanguay.—Although this town and school district has not defaulted, the annual payment called for by the debentures has been found too heavy for the town and school district to carry. It is now proposed to refund the town and school debt, after disbursing sinking fund invested, with interest at 6 per cent. per annum over a term of 40 years with equal annual payments of combined principal and interest.

Chamberlain S. D. No. 1,513.—Debenture holders have agreed to accept refunding debentures bearing interest at 6 per cent. per annum payable in 16 annual instalments of combined principal and interest.

Macleod.—The payments called for by the new refunding debentures are being made as they fall due.

Redcliff.—The terms of adjustment have been approved by the necessary 60 per cent. of the debenture holders and assented to by the lieutenant-governor-in-council of Alberta. Debenture holders have been requested to forward their holdings to Redcliff for exchange.

Taber.—The readjustment proposed has now been approved by the necessary 60 per cent. of the debenture holders and assented to by the lieutenant-governor-in-council of Alberta, so that it is now effective. Debenture holders have been requested to forward their holdings to Taber for exchange.

Tofield.—The payments called for by the new refunding debentures are being made as they fall due.

British Columbia

Port Coquitlam.—Past due coupons of this city maturing up to 31st March, 1925, have now been met.

Manitoba

The debenture holders' committee has arrived at an adjustment of the affairs of the four municipalities, details of which follow.

John Appleton, secretary of the association, has been appointed supervisor under the terms of the agreement, and the drafting of estimates for the year 1927 is now in progress. Ratification of these agreements by the Manitoba legislature will be sought at its present session, and, once the trustee called for is appointed, debenture holders will be requested to forward their holdings to this trustee for exchange in accordance with the agreements arrived at.

Approvals of debenture holders interested are as follows:

	Debenture Principal end of 1925 $	Obtained $	Per Cent.
St. James	3,057,219.64	2,558,474.62	83.68
St. Vital	1,227,915.09	912,278.48	74.29
W.Kildonan	1,045,548.78	847,631.29	81.07
Transcona	863,735.56	683,735.56	79.16
	6,194,419.07	5,002,119.95	80.75

St. James and Assiniboia. — After lengthy negotiations between the representatives of the debenture holders and the Winnipeg suburban municipal board, an agreement was arrived at as set out in the order of the Winnipeg suburban municipal board dated December 6, 1926.

An outline of the agreement is as follows:

1. A refunding issue of "consolidation debentures" by the rural municipality of St. James for debentures and coupons, matured and unmatured, as at 31st December, 1925, of the above municipalities and St. James' school district, to be dated 1st January, 1926, maturing in 1956, and bearing interest at 5½ per cent. per annum, payable in January and July of each year.

These "consolidation debentures" will be issued for the amount of each debenture holder's unmatured holdings valued on a 5½ per cent. yield basis, taking into consideration the rate of interest borne by, and the maturity dates of, his present debentures, and for the amount of past due principal and interest with interest from due dates to December 31st, 1925.

2. Payment of both principal and interest of the "consolidation debentures" at the same places as provided in the existing debentures.

3. Disbursement of sinking fund now on hand pro rata to holders of existing sinking fund debentures.

4. Beginning with the year 1929, and every year thereafter, a minimum of $50,000 to be deposited with the trustees, to be appointed by the committee of de-

(Continued on page 34

GOVERNMENT LOANING INSTITUTIONS CAN NOT LOWER COST OF CREDIT

(Continued from page 25)

and few can claim even a majority of them, a trust company is the logical choice for trustee. Any other selection will weaken the trust by just so much as it leaves to chance.

It costs nothing to establish a trust of this kind, and the fee is very moderate for administering the funds which will comprise it. This fee is based on a small percentage of the money handled, to be determined according to the nature and terms of the trust deed, and the scale of charges is set out in it at the time that it is made. All trust companies will quote their charges when the work required to be done is outlined to them, and all will be glad to lend any assistance which will enable a man to decide upon the proper form of trust to be established to take care of his insurance estate.

To dispose of property by means of a trust is a very old practice which dates back into the earliest history of civilized mankind; but to use it in distributing that cash estate which insurance policies will produce is a quite recent development following upon the very rapid growth of life insurance. However, to those who have not heretofore considered the establishment of a trust fund of this kind, it may possibly come with all the force of a new idea that a trust, when properly constituted, does not tie up money so that it cannot be used when it is needed, but rather saves it for use when it is required. It will prevent the waste of money in non-essentials or investment in fraudulent or non-productive securities, and this is a danger to which cash, from whatever source it may come, is especially subject in the hands of inexperienced beneficiaries.

There is much more that may be said respecting the life insurance trust, but it is beyond the compass of this article. It is hoped, however, that a sufficiently clear outline on the purposes and nature of the trust has been given to enable anyone to apply them in his own case, having regard to the circumstances of his family and his estate.

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The Trust Companies

(Continued from page 30)

UNION TRUST COMPANY, TORONTO

Distribution of Earnings

	1924	1925	1926
Earnings	$111,078	$116,504	$120,039
Taxes	13,073	13,145	14,217
Office exp.	4,142	4,740	4,740
Net profits	93,863	98,619	101,082
Distribution—			
Dividends	70,000	70,000	70,000
Reserve	....	....	75,000
Balance	23,863	28,619	x43,918
Prev. bal.	115,003	138,866	167,485
P. & L. bal.	138,866	167,485	123,567

xDebit.

Rate of Earnings

Year	Paid-up Capital	xProfits	Earned p.c.	Dividend
1913	$1,000,000	$209,794	20.1	10
1914	1,000,000	162,075	16.2	10
1915	1,000,000	154,524	15.5	10
1916	1,000,000	125,195	12.5	10
1917	1,000,000	91,937	9.1	9
1918	1,000,000	98,363	9.8	7
1919	1,000,000	102,603	10.2	7
1920	1,000,000	90,166	9.0	7
1921	1,000,000	90,230	9.0	7
1922	1,000,000	95,773	9.5	7
1923	1,000,000	92,166	9.2	7
1924	1,000,000	93,863	9.3	7
1925	1,000,000	98,619	9.8	7
1926	1,000,000	101,082	10.1	7

xTaxes and amount written off deducted.

VICTORIA TRUST AND SAVINGS CO., LINDSAY

Distribution of Earnings

	1924	1925	1926
Earnings	$109,308	$118,015	$123,431
Tax reserve	10,000	11,000	11,000
Off. premises	2,000	2,000	2,000
	12,000	13,000	13,000
Net profits	97,308	105,015	110,431
Distribution—			
Dividends	72,000	72,000	72,000
Reserve	25,000	30,000	35,000
	97,000	102,000	107,000
Balance	308	3,015	3,431
Prev. bal.	8,091	8,399	11,414
P. & L. bal.	8,399	11,414	14,845

Rate of Earnings

Year	Paid-up Capital	xProfits	Earned p.c.	Dividend
1913	$396,953	$43,939	11.0	7
1914	400,000	46,674	11.6	7
1915	400,000	46,700	11.6	7½
1916	400,000	50,234	12.5	7½
1917	447,475	54,553	12.4	7½
1918	500,000	58,774	11.9	7½
1919	600,000	75,346	14.2	8
1920	640,000	77,582	12.5	8½
1921	703,566	91,158	13.8	9
1922	742,085	101,810	14.0	9
1923	800,000	82,683	10.7	9
1924	800,000	97,308	12.1	9
1925	800,000	105,015	13.1	9
1926	800,000	110,431	13.8	9

xReserve for Federal taxes, and amount written off premises deducted.

THE WATERLOO TRUST & SAVINGS CO., WATERLOO, ONT.

Distribution of Earnings

	1924	1925	1926
Profits	$ 70,913	$ 76,121	$ 80,650
Income tax	7,431	7,739	7,011
	63,482	68,382	73,639
Distribution—			
Dividends	48,523	48,750	48,750
Reserve	15,000	20,000	25,000
	63,523	68,750	73,750
Balance	x41	x368	x111
Prev. bal.	1,434	2,608	2,240
Prem. on stock	1,215	....	....
P. & L. bal.	2,608	2,240	2,129

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1915	$332,876	$25,323	7.8	6
1916	383,779	31,762	8.8	6
1917	415,366	34,355	8.5	6
1918	481,802	40,462	9.3	6
1919	604,331	49,649	9.2	6
1920	638,764	56,995	9.1	6
1921	674,295	54,637	8.4	6
1922	707,920	57,672	8.3	6½
1923	729,685	62,657	8.7	6½
1924	750,000	63,482	8.5	6½
1925	750,000	68,382	9.1	6½
1926	750,000	73,639	9.8	6½

xIncome tax deducted.

WESTERN TRUST CO., WINNIPEG

Distribution of Earnings

	1924	1925	1926
Profits	$ 60,093	$ 42,947	$ 63,921
Prov. for Inc. tax	5.500	5,500	6,000
Net profits	54,593	37,947	57,921
Dividends	60,300	40,200	40,200
Balance	x5,707	x2,253	17,721
Prev. bal.	97,553	91,847	89,594
P. & L. bal.	91,846	89,594	107,315

xDebit.

Rate of Earnings

Year	Paid-up Capital	xProfits	Earned p.c.	Dividend
1915	$1,005,000	$84,787	8.4	6
1916	1,005,000	81,058	8.1	5
1917	1,005,000	82,500	8.2	5
1918	1,005,000	62,391	6.2	5
1919	1,005,000	68,185	6.8	5
1920	1,005,000	81,894	8.1	6
1921	1,005,000	78,125	7.8	6
1922	1,005,000	69,814	6.9	6
1923	1,005,000	62,358	6.2	3
1924	1,005,000	54,593	5.4	6
1925	1,005,000	37,947	3.7	4
1926	1,005,000	57,921	5.7	4

xAfter deducting provision for income tax.

WINNIPEG MERCANTILE TRUST WINNIPEG

Distribution of Earnings

	1924	1925	1926
Earnings x	$ 2,512	$ 2,971	$ 2,604
Dividends	....	3,192	3,272
Balance	2,512	†221	†668
Prev. bal.	3,714	6,226	6,005
P. & L. bal.	6,226	6,005	5,337

xAfter deducting all expenses.
†Debit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1919	$ 66,046	$3,360	5.1	6
1920	66,916	4,531	6.8	6
1921	67,484	4,301	6.4	6
1922	105,986	5,310	5.0	6
1923	106,272	3,919	3.7	4
1924	106,423	2,512	2.3	.
1925	106,423	2,971	2.8	3
1926	109,330	2,604	2.3	2

THE WINNIPEG TRUSTEE COMPANY OF CANADA, WINNIPEG

Distribution of Earnings

	1924	1925	1926
Profits	$ 6,218	$ 5,294	$ 8,889
Writ. off secs.	....	2,506	2,961
Net profits	6,218	2,788	5,928
Distribution—			
Dividends	....	....	6,071
Reserve	5,000	....	....
Balance	1,218	2,788	x143
Prev. bal.	504	1,723	4.510
P. & L. bal.	1,722	4,511	4,367

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Dividend
1921	$144,279	$10,418	7.2	6
1922	146,762	9,416	6.7	6
1923	149,356	8,704	5.8	5
1924	151,777	6,218	4.1	.
1925	151,777	2,788	1.8	.
1926	151,777	5,928	3.9	4

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WESTERN CANADA COLONIZATION NOW MEETING SUCCESS

C.P.R. Subsidiary Association Places Thousands of Families

SUPERVISION IS AID

Colonists Are Now Given Aid by Church and Similar Bodies Who "Follow Through"

By T. O. F. HERZER,
Manager, Canada Colonization Association, to Dominion Mortgage and Investments Association.

In discussing the subject of "Manning the Manless Land," I do not propose a panacea for all our ills in Western Canada, but merely tell a simple story of what the Canada Colonization Association started out to do, and what it actually has accomplished since it was taken over by the Canadian Pacific Railway as a subsidiary of the Department of Colonization and Development on January 1, 1925. It is necessary to tell this story in order to make some concrete recommendations.

In discussing this, I realize that no subject in Canada has been worn more threadbare or talked to death more often than the subject of Immigration and Colonization. There has been more talk and less accomplished about this subject than any other subject except bootlegging in the United States.

Barely Maintain Status Quo

In 1870, Canada's population was 3,372,000. Figuring natural increase and immigration since that time, we should have in this year of the Diamond Jubilee sixteen million people in Canada instead of eight million, eight hundred thousand. We have barely maintained the status quo, although the fiures for 1926 released by the Hon. Robert Forke are more hopeful — 135,984, an increase of 60 per cent. over the previous years.

We cannot have immigration without colonization. We cannot bring people to Canada unless we are willing to take care of them as settlers on the farm or as farm laborers. Colonization does not consist of replacing a good Canadian farmer with a half-baked European, nor in taking care of a man who arrives with $5,000 or $10,000. Any colonization policy must take care of the man with $500 or less.

Needs in Broad Policy

You must take care of immigration when it moves in waves; you cannot turn it on or off at will like a faucet or tap at a bar. An extensive colonization policy requires a lot of detail, worry, and costs much money. The Canadain Pacific has done its share towards colonizing Canada, also through the medium of the Canada Colonization Association.

The early history of the Canada Colonization Association consisted largely of unfulfilled promises. The underlying principle was sound, namely—to co-ordinate the various governmental, railway and private organizations for colonizing vacant land. Its promotion began in April, 1920, and it began operating in the spring of 1921, promoted by private subscription of public spirited business men, many of whom were among the members of the Dominion Mortgage and Investment Association. During 1923 it was financed by the Immigration Department of the Dominion Government and the two railway companies. The Immigration Department withdrew, and during 1924 it was operated jointly by the Canadian Pacific and the Canadian National. The Canadian National withdrew in 1924, and since January 1, 1925, the Canada Colonization Association is maintained as a subsidiary of the Department of Colonization and Development, Canadian Pacific Railway, for the purpose of settling immigrants from the United States and Europe on improved and partially improved farms. During the past year, 1926, 734 families were settled on 168,094 acres. During the present year up to March 26, 134 families have been settled on 33,353 acres. This makes a total of 1,795 families settled on 436,239 acres, comprising 8,985 souls since the fall of 1924; 45 per cent. of this settlement in Manitoba, 30 per cent. in Saskatchewan and 25 per cent. in Alberta. Various nationalities are represented, the large percentage being Mennonites from Southern Russia.

Eliminate the Speculator

These people were placed on lands which constituted the so-called "frozen assets" of various land holders and financial corporations in the West. Some of the land owners were part of the class of the so-called speculators, and did not believe that Benjamin Franklin was right when he said in his Poor Richard's Almanac "He who by the plow will thrive, must either hold the plow or drive." Other land owners are the Canadian farmers whose boys and girls have left the farm to take up other professions. In fact, the owners of these lands had all been sitting on the "mourners' bench" for many years.

We divided the settlers into three classes—those with sufficient money to look after themselves, who were in the minority: those having between $500 and $1,200; and those arriving without any money.

High Rate of Success

The success of the settlers at present is as follows: In Manitoba 95 per cent., in Saskatchewan out of 104,871 acres colonized, one quarter section has reverted to us, and in Alberta, 72,943 acres are all colonized. The Mennonite settlers have shown the highest percentage of success. The reason for this unusually high rate of success is:

1. The supervision of the settlers by the various immigration boards co-operating with the Canada Colonization Association—the Mennonite Board, the Lutheran Immigration Board, the Catholic Board, the Baptist Board and other organizations.

2. The fact that the association accepts no settlers for settlement until they have been personally interviewed.

3. The fact that the settlers are willing to reduce their wants until they have some equity in the land.

Filling up Present Areas

What of the future? The work of the Canadian Colonization Association, by far the largest in Western Canada, is really insignificant as compared with the work that should be done. As C. M. Bowman, chairman of the board of the Mutual Life Assurance Company of Canada, points out, the farming population in Western Canada should be increased 30 per cent. without bringing additional land under cultivation. It is not likely that the United States will furnish sufficient immigrants nor the British Isles, outside of the 3,000 Family Scheme administered by the Dominion Immigration Department.

The Canada Colonization Association has settlement opportunities available for 986 families on 235,644 acres. Meetings were held and surveys made in all three provinces to increase this.

One of the immigration boards co-operating with us has asked us to settle a certain number of families in the Maritime Provinces under our settlement scheme. but we will. for the present, restrict our operations to the four western provinces.

Suggests Three Plans

Three proposals will have to be adopted before any large number of families without means or with limited means can be settled. First, the co-ordination and co-operation of the various national agencies dealing with land settlement. I could only propose to the minister of immigration that he take under advisement, calling a meeting of the various interested parties to discuss such coordination. Secondly. co-operation and co-ordination with the various real estate men in Western Canada, according to a plan proposed by the Real Estate Exchange of Winnipeg. Thirdly, the organization of a subsidiary financial corporation which can assist incoming settlers financially. Such a corporation, if properly organized and supervised, could grant loans for equipment and implements, taking the land and the equipment as security.

But whether any of these three recommendations are adopted or not, the Canadian Pacific Railway through the medium of the Canada Colonization Association will continue along the lines followed during the last two years, settling as many people as we can safely settle each year until the "frozen assets" in Western Canada are liquidated and until the land in Western Canada close to existing railway lines which is at present unproductive, has given homes to industrious immigrants from across the seas, so that Western Canada may become in reality "The Granary of the British Empire."

Market Record Listed Trust and Loan Stocks

	Par Value	Div. Rate	1926 High	1926 Low	1927—to Mar. 28 High	1927—to Mar. 28 Low	Last Sale	Yield
Canada Landed	$50 pd.	10+1	100	90	100½	94	99	5.55
Can. Permanent	100	12	218	202¼	221	216⅛	221	5.42
Colonial Invest.	10	6	7	4	7	6¼	6¼	9.67
Huron & Erie	100	7+½	137½	127½	142	139	142	5.28
Landed Banking	100	9	159	159	161	161	161	5.59
Montreal Loan	25	12+1	50⅛	50	52¾	50	50	6.19
National Trust	100	12	250	232	255	232	242	4.95
Ontario Loan	50	12	110	103½	117	111	117	5.12
Real Estate Loan ...	100	7	95	83	100	100	100	7.00
Toronto Gen. Trusts ..	100	12	225	220	233	220	233	5.15
Toronto Mortgage ..	50	10+1	100	93½	102	100	102	5.39
Union Trust	100	7	105	98	110	104	110	6.36
National Trust	100	12	110	103½	117	111	117	5.12

LIFE INSURANCE TRUST NOW SPREADS FIELD OF TRUST CO. SERVICE

(Continued from page 25)

ledge of investments. Since no individual can have all these qualities, South Dakota and Minnesota. It is admitted that these failures are directly attributable to the collapse of the inflated land values incidental to the speculation which developed as a result of the enormous expansion of mortgage loans, particularly from the Federal Land Banks and some of the State Rural Credit Boards. In Iowa the average census value of all farming lands in 1910 was $82 58 per acre, and in 1920 it was $199.28. In 1925 this had dropped to $119.25 per acre. Approximately three million acres of Iowa farm lands have, either by foreclosure or transfer, passed out of the possession of the farmers into the hands of their creditors.

Increase in Immigration

We are gratified to find that while the total immigration to Canada in 1926 did not reach a very impressive figure, there was an increase of 60 per cent. over that of the previous year. Early indications are such as to indicate a considerably greater increase in 1927. Intelligent colonization plays a very important and essential part in the success of any scheme of immigration. Immigration and colonization are closely interwoven and cannot be disassociated.

Adoption of Duncan Report

It is gratifying to notice that the Prime Minister has intimiated the intention of the government to give effect to many of the principal recommendations of the Duncan Commission. and that those who have been speaking and seem to be well entitled to speak for Maritime interests have expressed themselves to the effect that the measures which the prime minister has promised, will have a very beneficial influence upon the industry and commerce of those provinces.

Control of Investment Trusts

Reference has been made to the recent incorporation of so called "Investment Trusts." The title is an unfortunate one as far as Canada is concerned. The charters referred to have been granted through the department of the Secretary of State, to whom it has been pointed out that the relationship to be created is not in any sense that of a trust; that the companies are really investment companies and that for this reason it is inadvisable, in the public interest, to so designate them as to lead the public to confuse them with trust companies, a class of institution which has been established in Canada for many years, and which has attained an honorable reputation and standing in the community. We do not know that these newly incorporated institutions purpose issuing debentures or similar securities. If they do, it would seem only reasonable that there should be some regulatory legislation governing their activities, as is the case in connection with loan companies which issue debentures and trust companies which issue guaranteed investment receipts, and that, either through existing or other machinery, there should be some supervision of their activities such as is provided by the loan and trust corporation acts of both the Dominion and the province of Ontario.

B.C. PUTS LOAN SOCIETIES UNDER OFFICIAL CONTROL

Act Provides for Inspection of Savings and Loan Associations

Building and loan associations have recently come under government control in British Columbia.

The legislature recently prorogued. There was passed a bill "Respecting Saving and Loan Associations." These associations and others of a similar nature already in operation, have power to loan moneys to their own shareholders on the security of first mortgages in the province and the association's own shares. These associations may issue different classes of shares, and in some cases such subscriptions are withdrawable. They further have the power to borrow by means of debentures up to twenty-five per cent. of their assets exclusive of instalments of capital stock unpaid and of the value of its property already mortgaged.

Appoint an Inspector

Power is given to the government to appoint an "Inspector of Savings and Loan Associations." The act states that every association carrying on business shall be subject to inspection by the inspector, and that the inspector shall once in each year and may at any time examine, personally or otherwise, every association, and that on every examination enquiry shall be made both from its officers and by examination of its books and affairs into the condition and resources of the association generally. If it appears to the inspector that any association has been conducting business in an unsafe or an unauthorized manner, or has failed to meet its obligations, or has refused to submit itself for examination by him. the act states that he shall forthwith report the facts to the minister. On sufficient cause being shown and upon such conditions and subject to such provisions as may be thought proper, the lieutenant-governor-in-council may revoke and cancel the incorporation of an association and declare it to be dissolved It is declared that the provisions of the "Companies Act" relating to winding-up are to apply.

The mortgage companies do not approve of this type of loan and savings companies, but that inasmuch as such companies were already in existence in the province, it was felt that they should be regulated and that it was considered very essential that provision should be made for the inspection of securities as well as of the books by some qualified disinterested inspector.

Ontario Grants Loan Companies Larger Powers

Legislation just passed by the Ontario Legislature enables trust companies to invest upon first mortgages in any province where they are authorized to do business. As the law presently stands, a trust company can only invest in mortgages held in certain provinces.

A further amendment increases the borrowing powers of loan companies.

Impressive Growth

—through Service

	Earnings	Reserve Fund	Total Assets
1924	$41,499.28	$50,000.00	$5,261,329.53
1925	48,065.94	75,000.00	6,248,947.82
1926	54,547.86	90,000.00	7,196,141.30

Equipped to handle efficiently any business entrusted to it.

THE STERLING TRUSTS CORPORATION

Chas. Bauckham, Managing Director
10-12 King Street East, Toronto
BRANCH: REGINA

THE REAL ESTATE LOAN COMPANY OF CANADA LIMITED

Established Under Dominion Charter, 1883

5 1-2 PER CENT. PAID HALF YEARLY ON CURRENCY DEBENTURES FOR ONE YEAR AND OVER

THE debentures of this Company are issued on an especially conservative basis, being limited by by-law to the amount of the fully paid capital and reserve of the Company. As this Company does not take deposits, its debentures are a first charge upon the whole assets of the Company.

DIRECTORS
EDMUND WRAGGE, M.I.C.E., President; H. W. MICKLE, K.C., Vice-President; WM. A. COOKE, H. WILBERFORCE AIKINS, M.D.; E. L. MORTON, Managing Director.

Manitoba Agent:
ALEXANDER BAIN, Winnipeg, Man.

British Columbia Agents:
LONDON & BRITISH NORTH AMERICA CO., LTD., Vancouver, B.C.

Alberta Agents:
SCARTH AGENCIES, LTD., Edmonton, Alta.

28 Wellington St. East, Toronto, Ont. and Edinburgh, Scotland
WRITE ABOVE OFFICES FOR FURTHER INFORMATION.

WESTERN HOMES LIMITED

Mortgage Investments
Head Office—Lombard Building—Winnipeg

Capital Authorized $5,000,000.00
Capital Subscribed $2,605,000.00
Capital Paid Up $1,014,000.00

The Story of Twelve Years

Showing the substantial progress made in every department during the past twelve difficult years.

	1915	1920	1926
Subscribed Capital	$182,800.00	$1,204,700.00	$2,605,400.00
Paid Up Capital	24,581.53	337,469.15	1,014,373.79
Assets	36,613.93	362,233.19	1,137,397.21
Deferred Profits and Surplus	4,741.62	24,148.52	82,432.17
Premiums in Course of Collection	(Nil)	92,760.20	218,412.40

Western Homes' capital is invested in mortgages on moderately priced homes and well improved farms—the safest of all securities. The homes and farms held as security are conservatively appraised at over $2,000,000.00 and are supplemented by the covenants of over 800 borrowers.

The British Mortgage and Trust Corporation of Ontario

STRATFORD

(Formerly The British Mortgage Loan Company)

Established 1877

Granted Trust Company Powers 1926

Capital Paid Up ....$ 582,600.00
Reserve Funds ....$ 650,000.00
Total Assets $4,690,188.85

Board of Directors
HON. NELSON MONTEITH, *President*
JAMES W. BROWN, *Vice-President*
J. W. SCOTT, D. A. DEMPSEY, THOMAS BALLANTYNE, L. M. JOHNSTON
W. H. GREGORY, *Managing Director*

Toronto Savings & Loan Company

437 George Street
PETERBOROUGH

Paid Up Capital - - - $1,000,000.00
Reserve Fund - - - - $1,200,000.00
Total Assets - - - - $5,242,365.50

BOARD OF DIRECTORS
President — H. C. COX
Vice-Presidents — W. G. MORROW, LEIGHTON McCARTHY, K.C., and RICHARD HALL
E. R. WOOD, E. T. MALONE, K.C., A. H. COX and G. A. MORROW

DEPOSITS RECEIVED of One Dollar and upwards. 4% interest paid half-yearly.

DEBENTURES ISSUED for sums of $100 and upwards in terms of one to five years, bearing special rates of interest, depending upon term of investment.

MONEY TO LOAN at lowest current rates of interest.

W. G. MORROW,
Managing-Director.

THE VICTORIA TRUST AND SAVINGS COMPANY

Lindsay Ontario

Capital subscribed and fully paid	$ 800,000.00
Reserve fund and undivided profits	614,846.61
Total assets	5,886,444.49

Statement of Growth of Assets

1921	$3,444,921
1922	3,721,761
1923	4,157,433
1924	4,578,244
1925	5,218,820
1926	5,886,449

Statement of Profits

(With Reserves for Federal Taxes and Amounts Written Off Premises Deducted)

1924	$ 97,308
1925	105,015
1926	110,431

W. FLAVELLE, President C. E. WEEKS, Manager

THE Nova Scotia Trust Company

LIABILITIES

Capital Paid Up	351,700.00
Reserve Fund	60,000.00
Reserve for Depreciation and Taxes	4,466.65
Profit and Loss	11,934.38
	428,101.03

ASSETS

Cash on hand and in Banks	20,080.40
Hollis Street Building	35,000.00
Investments and Interest Accrued	186,537.69
Furniture and Fixtures	1,641.95
Loans secured by Collateral	128,369.38
Advances to Trusts	48,536.80
Accounts Receivable	2,672.20
Real Estate held for sale	5,262.61
	428,101.03

PROFIT AND LOSS ACCOUNT

DR.

Dividend No. 20	12,309.50
Dividend No. 21	12,309.50
Auditors' and Directors' Fees	2,275.00
Dom. and Prov. Taxes	2,985.63
Written off Furniture and Building	1,057.44
Trans. Reserve for Depreciation and Govt. Taxes	2,500.00
Trans. to Reserve Fund	5,000.00
Balance Forward	11,934.38
	50,371.45

CR.

Balance Feb. 28th, 1926	8,108.10
Net Profits after providing for expenses of Management	42,263.35
	50,371.45

Halifax, N.S., Feb. 28, 1927.

R. W. ELLIOT, Managing Director. G. R. HARRISON, Secretary.

1855 1927

72 Years

Founded in 1855, more than twelve years prior to Confederation, when the entire population of the scattered colonies which now form the Dominion did not exceed three millions of people, the history of the "Canada Permanent" is closely linked with that of Canada. In the carrying on of its business of loaning money during this long period of Seventy-two years it has materially assisted in the development of our great country.

The Corporation's continued growth and enlarging field of usefulness is primarily due to the unfailing confidence of its many thousands of customers, which confidence is sincerely and deeply appreciated by the Directors and Management.

With 72 years' valuable and useful service and experience to its credit, the "Canada Permanent" is prepared to offer its customers a comprehensive financial service capable of fully meeting their needs.

Canada Permanent Mortgage Corporation

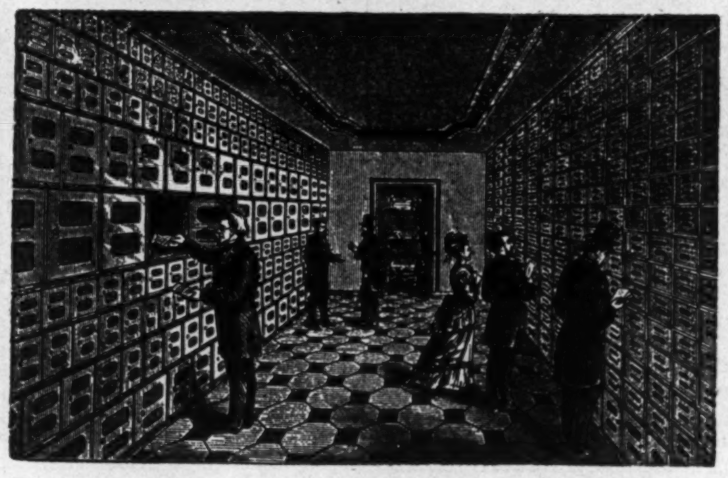
President: W. G. Gooderham Vice-President: E. R. C. Clarkson

General Manager: George H. Smith

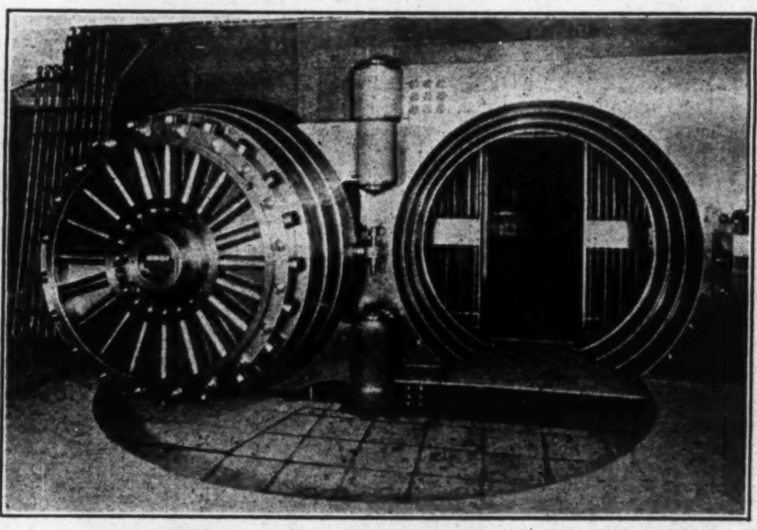
HEAD OFFICE: 14-18 TORONTO STREET, TORONTO

Investments exceed $50,000,000.00

Safety Deposit Vaults—Old and New



This picture appeared in a Detroit guide book of 1891 and shows the safety deposit vaults of the old Wayne County Savings Bank.



A very modern safety deposit box installation is here shown. The modern vault provides a public service that carries safety to high peaks. Photograph was taken in the head office of the Dominion Bank, Toronto.

Safety Deposit Vaults Serve Man on Street

Safety Deposit boxes and vaults are part of the service of most Canadian trust companies. They are no longer a feature of the wealthy man's daily life. Safety deposit boxes can be rented for as little as $2 a year in some centres although $3 and $4 is usually the minimum figure. At these levels, every man who has a couple of Victory bonds and a few insurance policies can afford to buy the absolute protection against fire or theft that such boxes afford.

There is hardly a town in Canada now without safety deposit boxes. Where there are no trust companies, the banks have usually given the service.

The first safety deposit box came into being in 1865 when one Francis H. Jenks, of New York, organized and opened for business the first safety deposit vault in the world. This consisted only of individual safes in one big community vault.

To-day safety deposit vaults provide a measure of security and of legal as well as physical protection that makes them the indispensable repository of documents, capable of being mislaid, destroyed or stolen.

Your Money is Safe with Protection Like This

(These Figures are taken from Our Last Annual Statement)

OUR RESOURCES:

CASH on hand and in Banks	$ 356,133.38
FIRST MORTGAGES on improved city and farm property	1,140,467.85
REAL ESTATE—Company's Office Premises	250,000.00
SECURITIES consisting of Dominion and Provincial Government, and Corporation Bonds, and Stocks at figures well within their present market values	5,674,611.83
LOANS repayable on demand and amply secured by Bonds and Stocks	803,310.01
CAPITAL subscribed and subject to call	750,000.00
TOTAL RESOURCES	$8,974,523.07

OUR OBLIGATIONS:

To Depositors	$2,900,177.14	
To Debentureholders	1,413,307.16	
		4,313,484.30

Surplus Security for Protection of Depositors and Debentureholders

$4,661,038.77

And Your Money, Deposited in a Central Canada Savings Account, earns interest at the Rate of

4%

Chequing Privileges Allowed.

CENTRAL CANADA LOAN AND SAVINGS COMPANY

King & Victoria Sts. - - Toronto
23 Simcoe St. North - - Oshawa

ESTABLISHED 1884

OTTAWA REVISES LOAN COMPANIES' BORROWING LIMIT

Also Wants to License Companies Each Year

Legislation of considerable importance to trust and loan companies is now being born at Ottawa.

A bill now before the Banking and Commerce Committee of the Dominion parliament provides for an increase in the borrowing powers of loan companies with certain safeguards to creditors in the way of by-laws passed by the directors and shareholders and a notice to registered debenture holders resident outside of Canada and publication in the Canada Gazette.

The bill further contemplates the annual licensing of companies incorporated under the Dominion Act, a list of such companies to be published annually in the Canada Gazette, and if as a result of examination, insolvency is disclosed, the license may be cancelled subject to appeal to the Governor-General-in-Council. If in the opinion of the minister it is necessary certain provisions may be attached to the license.

This bill is now before the Banking and Commerce Committee of the Dominion Legislature and it is not yet known what the final provisions of the bill will be.

Borrowing Ratio Larger

The first provision would allow companies to borrow up to five times their paid up capital and reserve as against a ratio of four to one now in effect. At first an eight to one ratio was asked. Only two or three large companies are now in a position to benefit from the legislation.

Proposed amendments in the case of trust companies are similar to those in the Loan Companies Act as far as they apply to trust companies. Trust companies will be required to take out a license annually and the license may be cancelled upon insolvency being disclosed or conditions may be attached to the licence when in the opinion of the minster it is deemed advisable.

The House of Commons has now passed an act establishing a system of Federal Rural Credits similar to that which it passed at its last session, and which was subsequently amended by the senate, but which failed to get Royal assent at that time.

This 1927 legislation has not as yet been considered by the senate.

Caldon and Easson Formed as Toronto Stock House

Announcement is made of the formation of the brokerage house of Caldow and Easson, Toronto. J. M. Easson, partner of this firm, has been elected a member of the Toronto Stock Exchange. Mr. Easson is a son of C. H. Easson, well known in banking circles. He is a graduate of McGill University and has spent considerable time in Northern Ontario.

W. L. Caldow, the other partner, has been manager of the Standard Bank at St. Johns, N.B., for several years.

The new firm will specialize in listed stocks and government and municipal bonds.

Opens Branch in Vancouver

The Bank of Toronto has opened a branch in Vancouver at Burrard and Robinson Streets under the management of W. H. Innes, formerly manager of their Kerrisdale, Vancouver, branch.

CPTC

The Canada Permanent Trust Company

OFFERS you the comprehensive service of an organization which has the confidence of a clientele extending from coast to coast. With branches throughout the Dominion, and a Board of Directors of wide experience and conservative methods, this company enjoys continued growth in public appreciation.

PAID-UP CAPITAL ONE MILLION DOLLARS

Acts as

Executor, Trustee, Administrator, Guardian, Registrar and Transfer Agent, and in all Trust or Agency Capacities.

Head Office:

CANADA PERMANENT BUILDING, TORONTO

Branch Offices:

Ontario Branch, Toronto. Nova Scotia Branch, Halifax.
Oxford County Branch, Woodstock. New Brunswick Branch, St. John
Manitoba Branch, Winnipeg. Alberta Branch, Edmonton.
Brit. Columbia Branch, Vancouver. Saskatchewan Branch, Regina.
Brant County Branch, Brantford.

Directors:

W. G. GOODERHAM, *President*
E. R. C. CLARKSON, *Vice-President*
GEORGE H. SMITH, *General Manager*
COL. A. E. GOODERHAM F. GORDON OSLER
WILLIAM MULOCK, K.C. WILLIAM STONE
GEORGE W. ALLAN, K.C., Winnipeg, Man.
A. B. CAMPBELL, W.S., Edinburgh, Scotland.
NORMAN MACKENZIE, K.C., Regina, Sask.

THE CANADA PERMANENT TRUST CO.

Toronto Street. Toronto.

Manager Ontario Branch - A. E. HESSIN 10

We go on forever

The Oldest Trust Company in the Maritimes

Incorporated 1893 Paid up Capital $1,000,000

BOARD OF DIRECTORS

President

HON. W. A. BLACK, P.C.M.P.

Vice-Presidents

George H. Murray, K.C.
Hon. F. B. McCurdy, P.C.
H. R. Silver

Directors

J. Walter Allison, D.C.L.
Hon. R. G. Beazley, M.L.C.
Geo. S. Campbell, D.C.L.
Alex. J. Campbell, K.C.
William H. Chase
J. B. Douglas
H. Carson Flood
Henry J. Hague, K.C.
Hon. C. W. Robinson, K.C.
Hugh Ross, K.C.
Gordon W. Scott
O. E. Smith
Gavin L. Stairs
Thomas F. Tobin, K.C.

Assets under administration over $38,000,000.
At your service with every Trust Company need.

THE EASTERN TRUST COMPANY

Head Office: Halifax, N.S.

Branches:

Montreal, P.Q., Saint John, N.B., St. John's, Nfld., Charlottetown, P.E.I.

ASSETS OF TRUST AND LOAN BODIES CONTINUE GROWTH

Billion Dollar Mark Touched by Estates — Mortgages Higher

Expansion of Canadian loan companies is shown in figures compiled by The Financial Post. Larger amounts of money have been obtained by the issuance of debentures and the taking of deposits. The new capital, so garnered, has gone chiefly into mortgage loans.

Comparative figures for all Canadian mortgage companies are as follows:

	1925	1926
Assets		
Mortgages	181,146,075	194,107,531
Other Loans	4,128,693	5,805,489
Securities	41,202,557	40,168,132
Real Est. & Prem.	12,248,360	12,972,809
Cash	12,021,060	9,795,978
Total	260,611,116	273,752,822
Liabilities to the Public		
Deposits	29,736,069	32,866,425
Debentures	91,088,917	99,001,471
Total	121,798,563	133,856,271
Liabilities to the Shareholders		
Capital	50,772,060	51,169,339
Reserves	29,735,966	30,561,200
Undiv. profits	1,866,338	2,117,080

Total assets of the trust companies have also increased. Canadian trust companies now have one billion dollars of estates under administration. Comparative figures follow:

Trust Companies' Investments

	1925	1926
Undiv. profits	....	2,288,192
Capital	....	27,636,806
Reserve	....	14,456,203
Capital acct.	51,244,498	54,910,693
Guar. acct.	66,673,069	82,096,099
Estates	978,223,929	1,046,117,537
Total assets	1,096,741,235	1,183,695,346

MUNICIPALITIES IN DEFAULT ARE MAKING PROGRESS

(Continued from page 31)

benture holders, as a sinking fund for the payment of the principal of the said "consolidation debentures."

5. The appointment by the debenture holders' committee of a supervisor whose duties will be inter alia to pass on all expenditures and borrowings before they can be made.

St Vital.—After lengthy negotiations between the representatives of the debenture holders and the Winnipeg suburban municipal board, an agreement was arrived at, as set out in the order of the Winnipeg suburban municipal board dated December 6, 1926. An outline of the agreement is as follows:

1. A refunding issue of "consolidation debentures" by the rural municipality of St. Vital for debentures and coupons, matured and unmatured, as at 31st December, 1925, of the above municipality and of its school districts, to be dated 1st January, 1926, maturing in 1956, and bearing interest at 5½ per cent. per annum, payable January and July each year.

These "consolidation debentures" will be issued for the amount of each debenture holder's unmatured holdings, valued on a 5½ per cent. yield basis, taking into consideration the rate of interest borne by and the maturity dates of his present debentures, but, in making such a valuation, debentures bearing a higher rate than 6½ per cent. are to be considered as bearing only 6½ per cent., and for the amount of past due principal and interest with interest from due dates to December 31st, 1926.

2. Payment of both principal and interest of the "consolidation debentures" at the same places as provided in the existing debentures.

3. Disbursements of sinking fund now on hand pro rata to holders of existing sinking fund debentures.

4. Beginning with the year 1930 and every year thereafter, a minimum of $10,000 to be deposited with the trustees, to be appointed by the committee of debenture holders, as a sinking fund for the payment of the principal of the said "consolidation debentures."

5. The appointment by the debenture holders' committee of a supervisor whose duties will be inter alia to pass on all expenditures and borrowings before they can be made.

6. Payment of debentures guaranteed by the provincial government, being under by-laws No. 647 and No. 803 by the provincial government as such debentures and their coupons fall due.

Transcona.—After lengthy negotiations between the representatives of the debenture holders and the Winnipeg suburban municipal board, an agreement was arrived at as set out in the order of the Winnipeg suburban municipal board dated December 6, 1926. An outline of the agreement is as follows:

1. A refunding of "consolidation debentures" by the town of Transcona for debentures and coupons, matured and unmatured, as at 31st December, 1925, of the above town and its school districts, to be dated 1st January, 1926, maturing in 1956, and bearing interest at 4 per cent. per annum, payable January and July each year.

These "consolidation debentures" will be issued for the amount of each debenture holder's unmatured holdings at par and for the amount of past due principal and interest with interest from due dates to 31st December, 1925.

2. Payment of both principal and interest of the "consolidation debentures" at the same places as provided in the existing debentures.

3. Disbursement of sinking fund now on hand pro rata to holders of existing sinking fund debentures.

4. Beginning with the year 1933 and every year thereafter, an amount to be determined by the supervisor and the town plus one-half of any surplus arising after all expenses have been met, is to be deposited with the trustees, to be appointed by the committee of debenture holders, as a sinking fund for the payment of the principal of the said "consolidation debentures." It is provided that the trustees may apply such sinking fund to the payment of interest in excess of 4 per cent. to compensate debenture holders for the difference between the interest of 4 per cent. on the "consolidation debentures" and that which would be payable from 1st January, 1926, on their present debentures.

5. The appointment by the debenture holders' committee of a supervisor whose duties will be inter alia to pass on all expenditures and borrowings before they can be made.

West Kildonan and Kildonan.—After lengthy negotiations between the representatives of the debenture holders and the Winnipeg suburban municipal board, an agreement was arrived at as set out in the order of the Winnipeg suburban municipal board dated December 10, 1926. An outline of the agreement is as follows:

1. A refunding issue of "consolidation debentures" by the rural municipality of West Kildonan for debentures and coupons, matured and unmatured, as at 31st December, 1925, of the above municipalities and West Kildonan school district, to be dated 1st January, 1926, maturing in 1956, and bearing interest at 5½ per cent. per annum, payable January and July each year.

These "consolidation debentures" will be issued for the amount of each debenture holder's unmatured holdings valued on a 5½ per cent. yield basis, taking into consideration the rate of interest borne by and the maturity dates of his present debentures, and for the amount of past due principal and interest, with interest from due dates to December 31st, 1925.

2. Payment of both principal and interest of the "consolidation debentures" at the same places as provided in the existing debentures.

3. Disbursement of sinking fund now on hand pro rata to holders of existing sinking fund debentures.

4. Beginning with the year 1933 and every year thereafter, a sum to be determined by the municipality and the supervisor to be deposited with the trustees, to be appointed by the committee of debenture holders, as a sinking fund for the payment of the principal of the said "consolidation debentures."

5. The appointment by the debenture holders' committee of a supervisor whose duties will be inter alia to pass on all expenditures and borrowings before they can be made.

6. Payment of debentures guaranteed by the provincial government, being under By-law No. 70, by the provincial government as such debentures and their coupons fall due.

Goose Lake School District No. 1,283.—This school district is situated partly in the town of Roblin, the rural municipality of Shell River, and the rural municipality of Hillsburg (now in the hands of an administrator). Besides a debenture debt of $66,000, there is owing to the bank and sundry creditors some $25,000. An enquiry is being made with a view to taking steps to protect debenture holders.

Ontario

Eastview, a suburb of Ottawa, has been reported as being in default. Detailed information as to the amount involved is not available at the present time.

Quebec

Alymer.—Default of the town of Aylmer, which has liabilities, including housing debentures, of approximately $992,000, still continues. It is understood that a new town council is now in office and that steps will be taken by that council to bring the affairs of the town into better shape. No concerted action on the part of the debenture holders has yet been taken.

Saskatchewan

The terms of payment called for under the adjustments arrived at in 1925 in the cases of **Battleford, Humboldt, Scott and Sutherland** have been met.

Canora.—The affairs of this town are gradually getting back to normal, and the town has provided for the payment of its debentures and coupons maturing up to March 31, 1925.

The city of Prince Albert, the town of Melville, North Battleford separate school district No. 16, and North Battleford public school district No. 1,438, are all meeting the payments called for under their various adjustments.

Swift Current.—This city has been meeting the payments called for under its agreement which expires at the end of the current year. A new agreement has been entered into to take effect January 1, 1928, and has been ratified by the Saskatchewan legislature at its present session. This agreement provides as follows:

1. During the years 1921 to 1927, inclusive, all the interest in excess of three per cent. to be cancelled.

2. 1921 interest to be settled on a three per cent. basis; payment of same to be left to the discretion of the supervisors, to be paid when circumstances will permit out of surplus.

3. During the ten-year period, 1928-1937, interest to be levied at a rate not to exceed three per cent. for the first five years and not to exceed three and one-half per cent. for the second five years, if, in the opinion of the supervisors, such rate can reasonably be levied, and all interest in excess to be cancelled.

4. The powers of the supervisors to be enlarged in order to give them power to approve the purchase of outstanding debentures of the city.

New Tobacco Plant Established in Ontario

Arrangements have been made for the establishment of a new Ontario tobacco industry in Wallaceburg. For some time the industrial promoters here have been conducting negotiations with James Cooper, of Walkerville, with a view to establishing a tobacco factory in the town.

The new tobacco company will be known as the Cooper Leaf Tobacco Company, and the parent plant will be located in Wallaceburg. The company proposes to spend immediately between $50,000 and $60,000 in plant and equipment, and it is their intention to be ready for operation this year. Ten or twelve cars of machinery are being shipped to Wallaceburg to start the factory. At first the company will confine its efforts to drying and curing tobacco, preparing it for the British market; but it is the intention eventually to go into the manufacturing business as well.

ASSETS OF CANADA'S CHIEF LOAN AND MORTGAGE COMPANIES

	Mortgages			Other Loans			Securities			Real Estate and Premises			Cash			Total Assets		
	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $
B.C. Perm. Loan	1,979,866	2,093,402	2,203,412	......	......	......	354,704	285,959	285,959	598,940	457,903	475,354	98,791	105,491	57,147	3,055,988	2,963,828	3,050,127
Brockville Loan	765,007	867,570	897,556	15,781	18,262	23,430	78,814	95,630	88,624	12,732	15,788	11,991	60,107	8,761	51,499	932,443	1,006,013	1,074,315
Canada Landed	4,325,270	4,238,024	3,987,828	......	8,902	6,529	1,895,304	1,806,952	1,582,361	105,534	104,948	96,499	163,120	164,965	144,603	6,489,229	6,328,842	5,817,821
Canada Permanent	36,906,672	38,958,514	42,950,547	131,000	85,619	91,364	5,169,887	6,120,995	4,127,552	1,668,108	1,583,764	1,583,149	1,538,885	1,532,599	1,860,897	45,414,653	48,281,493	50,613,510
Central Canada	1,461,095	1,035,032	1,140,467	1,335,718	1,197,303	803,310	4,040,190	5,173,611	5,674,611	250,000	250,000	250,000	311,458	339,828	356,138	7,398,463	7,995,776	8,224,523
Col. Invest. & Loan	161,999	170,619	86,968	45,000	......	......	109,721	30,316	23,731	212,692	163,074	252,300	62,500	39,733	2,922	987,443	828,657	671,323
Credit Foncier	34,674,951	32,554,909	33,313,842	3,630,071	1,623,511	4,075,614	6,481,019	7,370,811	7,444,961	1,482,916	1,623,511	1,745,006	5,148,244	6,719,155	3,654,096	52,035,871	51,700,109	51,603,740
Crown Sav. & Loan	608,566	616,183	627,009	7,719	7,719	3,080	53,715	74,000	71,666	21,960	24,974	22,200	23,582	3,281	9,768	748,526	759,977	768,594
Debenture Co. of Can.	......	......	......	......	......	......	......	......	......	28,102	41,636	15,125	3,803	15,636	31,654	316,316	331,065	475,864
Eastern Can. Savings	2,490,947	2,542,141	2,598,947	15,000	65,000	70,000	91,433	......	29,859	87,743	114,991	55,367	21,534	63,958	34,742	2,708,264	2,794,228	2,860,689
E. Lambton Farm Loan	311,014	351,867	389,746	9,884	10,803	10,856	297,069	320,576	322,156	3,800	3,800	3,800	8,202	6,344	3,207	629,971	693,390	729,766
Empire Loan	528,341	506,787	503,998	......	......	......	......	......	......	227,316	220,709	180,131	2,311	8,643	2,383	758,571	736,631	686,988
Fonciere de Man.	271,291	293,607	352,233	......	......	......	19,221	21,895	29,536	365,474	359,625	495,884	11,172	6,710	12,025	679,873	694,359	912,369
Frontenac Loan	196,684	202,734	189,667	42,705	36,583	37,654	42,995	39,724	46,626	16,787	25,379	25,255	15,488	2,432	5,409	314,861	307,052	304,773
Guelph & Ont. Invest.	2,606,345	3,217,086	3,381,464	45,785	30,713	32,281	1,685,633	1,135,745	1,059,329	140,025	134,224	131,303	113,093	105,559	88,922	4,597,333	4,629,779	4,699,818
Home Invest. & Sav.	1,700,195	1,603,422	1,481,278	......	......	......	3,605	27,907	98,354	462,030	463,852	471,362	35,874	53,145	35,841	2,206,338	2,153,731	2,130,566
Hudson Bay Mtge.	87,130	93,274	89,500	......	......	......	......	......	......	22,853	22,103	12,737	7,193	5,725	5,229	109,450	113,639	109,832
Huron & Erie Loan	19,863,347	23,969,824	31,512,105	......	......	......	6,502,246	5,703,712	5,353,784	850,000	835,000	1,086,170	1,252,586	958,316	1,606,304	28,468,180	31,466,852	39,558,363
Indus. Mortgage	2,329,548	2,384,127	2,453,782	9,444	20,841	50,865	671,638	756,586	808,990	79,834	73,054	82,428	125,037	121,775	166,359	3,215,504	3,356,385	3,562,425
International Loan	520,861	605,906	709,536	......	......	......	......	......	......	53,409	47,803	43,394	45,184	34,046	1,616	621,654	690,048	759,460
Invest. Corp. of Can.	1,919,860	1,795,640	1,702,945	......	......	......	1,080,470	1,209,205	1,127,255	667,880	733,830	841,595	181,215	288,085	87,230	4,111,425	4,065,110	3,960,045
Lambton Loan & Inv.	3,579,987	3,651,056	3,936,434	58,802	24,523	......	291,176	538,118	530,846	86,141	88,979	......	145,102	167,522	......	4,155,209	4,470,200	4,603,465
Landed Bank & Loan	3,174,864	3,204,708	3,213,696	44,489	62,511	85,840	365,914	453,954	447,128	144,360	198,582	230,970	160,320	113,210	113,292	3,889,947	4,032,966	4,090,628
London Loan & Savings	2,382,826	2,129,852	1,702,539	15,699	11,611	10,368	710,055	707,932	707,855	85,000	169,482	519,748	21,347	20,020	65,891	3,214,928	3,038,898	3,006,549
Midland Loan & Savings	1,588,305	1,762,834	1,927,434	1,208	1,762	1,713	391,546	345,368	334,180	5,016	5,016	5,000	148,868	143,244	139,528	2,134,944	2,258,224	2,429,708
Montreal Loan & Mort.	1,737,932	1,786,877	1,772,543	26,101	429	414	......	......	......	......	......	49,796	2,572	4,872	7,060	1,766,606	1,792,178	1,829,314
Mortgage Corp. of N.S.	1,113,150	1,191,023	1,274,195	435	287	128	11,000	28,475	38,541	36,782	34,205	49,937	37,344	22,548	8,446	1,484,909	1,546,056	1,693,393
North of Scot. Can. Mtg.	8,564,905	8,240,620	7,838,000	......	......	......	......	126,285	545,830	580,035	593,220	465,050	35,965	52,735	105,995	9,673,335	9,595,725	9,500,255
Northern Mort. Co.	*2,972,477	2,336,278	2,022,182	......	......	......	......	308,575	685,252	352,332	424,517	432,669	94,491	76,749	52,781	3,420,762	3,396,499	3,403,181
N.S. Savings & Bldg.	1,871,866	1,873,975	1,878,242	......	......	......	151,937	216,307	216,307	12,700	20,200	21,800	29,914	20,150	24,724	2,118,668	2,162,836	2,183,330
Northern Can. Mortgage	......	......	......	534,939	471,666	418,803	53,934	53,934	53,934	146,180	226,167	217,092	4,150	1,292	21,913	739,205	753,060	711,743
Okanagan Loan	321,664	384,095	369,222	......	......	......	59,527	53,287	55,046	133,432	98,996	63,413	4,604	......	14,941	587,465	558,775	555,518
Ont. Loan & Deben.	6,000,954	6,543,737	7,073,178	167,034	223,287	34,324	2,514,787	2,690,708	2,836,420	119,350	96,449	87,245	300,465	179,460	175,832	9,103,591	9,733,641	10,207,002
People's Loan & Sav.	861,748	874,756	973,716	4,695	4,122	6,662	60,299	62,490	53,338	89,900	58,520	53,205	39,450	97,534	49,547	1,116,532	1,162,423	1,207,637
Real Estate Loan	1,237,148	1,247,843	1,273,917	5,210	5,064	6,567	112,265	106,849	98,580	45,583	58,227	62,881	38,928	53,739	48,220	1,439,137	1,471,724	1,490,168
Royal Loan & Savings	1,819,672	1,963,628	2,134,631	84,096	63,692	9,806	719,268	838,804	930,585	77,383	61,604	54,645	97,978	106,719	118,200	2,798,398	3,034,449	3,306,882
Societe de Prets et Place.	946,346	1,009,408	1,095,042	6,659	5,093	4,365	1,119	......	......	......	......	......	1,842	1,464	1,983	959,171	1,015,966	1,107,912
Scottish Prov. Inv.	149,255	156,419	99,189	......	......	......	......	......	......	44,478	55,371	58,011	260	193	1,173	203,673	218,586	210,162
Southern Loan & Savings	2,504,425	2,599,463	2,568,217	5,725	4,372	8,229	222,574	277,193	277,193	50,326	42,450	21,968	55,295	9,369	23,270	2,838,348	2,932,849	3,005,872
Security Loan	1,217,596	1,275,163	1,345,146	7,705	6,777	8,137	98,978	174,599	189,982	21,100	21,100	21,722	72,055	38,820	44,134	1,418,732	1,517,214	1,610,576
Sask. Loan & Invest.	349,711	341,023	332,689	......	......	......	......	......	......	50,971	53,013	51,932	20,090	26,910	16,976	427,554	426,730	425,060
Toronto Mortgage	1,894,752	2,069,487	2,336,540	57,031	12,950	3,500	1,375,945	1,316,160	1,092,516	45,000	45,000	45,000	84,934	68,811	70,012	3,457,664	3,512,408	3,547,568
Toronto Sav. & Loan	121,979	789,770	878,523	200	125,291	1,650	2,665,039	2,105,568	2,248,995	1,980,492	1,950,533	1,852,655	140,729	192,967	247,662	4,910,449	5,165,331	5,242,365
Trust & Loan	16,033,438	15,657,731	15,477,488	......	......	......	568,435	589,400	615,325	510,280	509,405	508,375	2,970	1,390	216,835	22,426,075	22,701,125	23,438,328
West. Can. Invest.	1,065,095	993,840	968,610	......	......	......	34,925	34,925	34,925	110,145	137,355	148,055	5,085	37,155	56,480	1,285,785	1,226,425	1,232,900
Western Homes	756,420	961,821	1,043,328	......	......	......	10,582	......	......	76,613	......	70,590	5,752	......	3,092	873,571	989,864	1,137,397
Total	175,975,504	181,146,075	194,107,531	6,308,135	4,128,693	5,305,489	38,996,969	41,202,557	40,168,132	12,161,684	12,248,360	12,972,809	10,779,889	12,021,060	9,795,978	252,245,014	260,611,116	273,752,822

*Includes mortgage loans, war bonds and other investments.

LIABILITIES OF LOAN COMPANIES

	To the Public									To Shareholders								
	Savings Deposits			Debentures			Total			Capital			Reserves			Undivided Profits		
	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $
Brockville Loan	362,459	377,805	406,803	15,128	62,156	93,765	381,566	444,213	503,828	350,000	350,000	350,000	175,000	185,000	195,000	5,547	2,410	1,886
B.C. Perm. Loan	249,520	316,581	362,936	966,500	964,399	994,453	1,241,740	1,300,609	1,374,527	943,319	944,599	945,529	800,000	650,000	650,000	2,306	10,766	20,132
Canada Landed	......	......	......	3,625,373	3,466,929	2,970,216	3,697,914	3,515,808	2,993,485	1,205,000	1,205,000	1,205,000	1,450,000	1,450,000	1,450,000	53,120	57,539	74,100
Canada Permanent	7,334,483	8,575,231	9,398,689	23,371,954	24,883,825	26,266,689	30,716,016	33,476,688	35,680,980	7,000,000	7,000,000	7,000,000	7,000,000	7,500,000	7,500,000	488,637	94,804	222,529
Central Canada	2,217,994	2,704,973	2,900,177	1,432,189	1,521,242	1,413,307	3,650,133	4,226,216	4,313,484	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	169,579	182,060	218,538
Col. Invest. & Loan	......	......	......	......	......	......	4,936	3,103	54,321	648,535	345,652	345,887	240,000	200,000	215,491	7,763	10,225	6,533
Crown Sav. & Loan	99,225	104,683	105,828	282,787	285,622	281,794	382,013	390,306	394,903	241,050	241,050	241,050	113,000	116,500	120,000	4,628	4,287	4,806
Debenture Co. of Can.	......	......	......	......	......	......	......	......	......	223,658	270,681	354,250	20,000	25,000	30,000	2,426	1,647	529
Eastern Can. Savings	206,463	266,445	241,646	1,426,445	1,436,893	1,518,283	1,632,908	1,703,338	1,759,929	750,000	750,000	750,000	310,000	310,000	310,000	......	......	......
Empire Loan	......	......	......	55,784	53,329	42,853	77,749	64,633	45,005	638,376	638,376	638,376	30,000	30,000	3,374	2,751	2,279	......
E. Lambton Farm Loan	126,424	153,571	167,016	188,065	220,405	236,570	314,489	373,977	403,587	227,150	227,150	227,150	81,488	85,433	92,193	......	......	......
Fonciere de Man.	15,148	16,500	35,849	97,022	99,037	117,172	130,903	131,134	153,021	400,050	400,050	544,425	24,014	24,465	25,187	6,821	6,666	5,084
Frontenac Loan	61,569	53,252	50,226	......	......	......	61,569	53,257	50,263	200,000	200,000	200,000	30,000	30,000	30,000	546	491	719
Guelph & Ont. Invest.	876,761	851,488	875,905	1,789,014	1,829,305	1,904,420	2,666,846	2,681,805	2,782,689	965,080	965,080	965,080	869,435	869,435	869,435	57,368	24,856	19,011
Home Invest. & Sav.	344,315	304,347	294,905	198,699	203,289	212,885	613,925	556,562	515,125	992,763	992,772	992,772	500,000	500,000	500,000	9,757*	3,396	22,667
Hudson Bay Mtge.	......	......	......	......	......	......	......	......	......	102,720	102,720	102,720	......	......	......	6,490	10,679	3,873
Huron & Erie Loan	6,161,587	6,960,854	8,647,649	15,203,285	17,229,200	23,040,707	21,578,741	24,429,666	32,006,657	5,000,000	5,000,000	5,000,000	1,750,000	1,850,000	2,350,000	51,938	74,685	29,206
Indus. Mortgage	844,030	900,006	1,031,386	1,212,500	1,278,468	1,303,267	2,056,531	2,178,475	2,362,919	635,000	635,000	635,000	495,000	514,000	529,000	397	335	530
International Loan	......	......	......	......	......	......	......	......	......	551,298	606,314	653,660	......	......	......	70,356	82,224	103,512
Invest. Corp. of Can.	......	......	......	......	......	......	......	......	......	2,500,000	2,500,000	2,500,000	225,000	170,000	184,055	21,095	4,865	15,630
Lambton Loan & Inv.	1,093,707	1,291,193	1,335,244	1,254,305	1,306,221	1,336,938	2,382,044	2,682,583	2,768,353	789,750	789,750	789,750	900,000	920,000	930,000	28,132	22,584	20,399
Landed Bank & Loan	1,012,473	1,063,236	1,078,774	700,233	758,183	771,837	1,732,394	1,845,533	1,869,129	1,000,000	1,000,000	1,000,000	1,050,000	1,050,000	1,100,000	32,552	22,433	21,499
London Loan & Savings	706,748	658,694	606,481	1,025,746	944,911	974,811	1,879,560	1,699,329	1,665,734	891,571	891,571	891,571	440,000	440,000	440,000	3,796	7,997	9,243
Midland Loan & Savings	329,541	342,120	341,473	1,027,906	1,116,920	1,267,538	1,357,448	1,459,040	1,609,011	360,000	360,000	360,000	380,000	380,000	400,000	14,974	15,637	16,664
Mortgage Corp. of N.S.	35,815	41,983	49,003	376,742	405,134	420,814	417,871	452,924	475,960	593,454	620,883	677,850	174,000	188,000	200,000	575	1,283	......
Montreal Loan & Mort.	199,113	219,770	250,652	48,989	49,006	48,666	261,488	279,102	308,247	600,000	600,000	600,000	850,000	850,000	850,000	31,118	39,076	47,567
North of Scot. Can. Mtg.	......	......	......	5,520,000	5,449,810	5,402,710	5,695,540	5,607,790	5,490,315	1,380,000	1,380,000	1,300,000	1,975,000	1,975,000	1,975,000	277,305	271,335	274,715
Northern Mort. Co.	......	......	......	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,008,282	2,016,345	2,016,395	......	......	......	295,456	111,205	116,589
N.S. Savings & Bldg.	101,798	92,798	75,972	717,491	738,599	748,125	819,200	831,342	1,942,706	1,061,731	1,092,871	1,118,608	223,000	226,000	231,000	29,914	20,150	24,724
Northern Can. Mortgage	......	......	......	......	......	......				587,282	600,383	613,304	40,000	40,000	40,000	53,356	50,343	48,188
Okanagan Loan	7,913	......	......	31,717	......	......	78,820	75,800	......	390,500	390,687	392,669	110,000	83,448	48,000	232	......	602
Ont. Loan & Deben.	838,854	844,535	928,760	3,837,241	4,385,866	4,685,348	4,676,095	5,230,401	5,614,109	1,750,000	1,750,000	1,750,000	2,575,000	2,650,000	2,725,000	53,370	55,115	69,767
People's Loan & Sav.	368,633	402,731	397,669	129,746	158,995	207,314	518,686	561,726	604,984	500,000	500,000	500,000	95,000	98,000	100,000	2,845	2,696	2,653
Real Estate Loan	......	......	......	622,558	653,838	667,653	626,815	658,295	671,311	500,000	500,000	500,000	290,000	290,000	290,000	3,983	5,689	11,072
Royal Loan & Savings	960,121	1,100,135	1,255,074	662,450	732,742	838,597	1,626,773	1,837,323	2,098,986	600,000	600,000	600,000	530,000	540,000	550,000	26,622	42,088	42,881
Scottish Prov. Inv.	......	......	......	......	......	......	54,685	63,695	60,511	125,525	125,651	124,700	......	......	......	3,520	4,068	2,890
Societe de Prets et Place.	120,796	107,151	95,605				120,796	107,151	95,605	438,600	500,000	500,000	335,000	370,000	385,000	5,228	4,841	5,080
Southern Loan & Savings	562,527	546,056	544,507	973,114	1,046,677	1,112,809	1,536,207	1,608,042	1,658,593	900,000	900,000	900,000	345,000	365,000	400,000	21,140	23,807	15,779
Security Loan	342,290	374,641	347,897	286,857	335,200	439,292	633,822	714,744	791,161	538,200	539,800	539,800	225,000	240,000	255,000	2,909	3,776	5,722
Sask. Loan & Invest.	......	......	......	......	......	......	1,982	1,162	376	352,475	353,649	354,870	40,000	40,000	40,000	10,826	9,410	10,260
Toronto Mortgage	85,920	95,758	91,134	1,792,361	1,821,310	1,828,348	1,888,746	1,927,533	1,929,748	724,550	724,550	724,550	750,000	800,000	800,000	68,928	34,886	67,632
Toronto Sav. & Loan	......	969,532	949,165	*2,659,892	1,947,661	2,027,500	2,661,871	2,921,513	2,979,919	1,000,000	1,000,000	1,000,000	1,100,000	1,200,000	1,200,000	98,578	8,818	12,446
Trust & Loan	......	......	......	14,080,600	14,322,055	14,450,565	14,080,600	14,322,055	14,450,565	6,750,000	6,750,000	6,750,000	658,560	680,685	728,465	468,495	488,705	490,050
West. Can. Invest.	......	......	......	397,985	381,690	376,225	397,985	381,690	376,225	750,000	750,000	750,000	85,000	50,000	50,000	15,015	15,310	26,790
Western Homes	......	......	......	......	......	......	......	......	......	799,556	911,476	1,014,373	......	......	20,000	31,611	30,872	24,512
Total	25,666,227	29,736,069	32,866,425	87,010,678	91,088,917	99,001,471	113,657,407	121,798,563	133,856,271	50,715,555	50,772,060	51,169,339	29,033,497	29,735,966	30,561,200	2,542,005	1,866,338	2,117,080

*Includes deposits.

INVESTMENTS OF THE TRUST COMPANIES

	Year Organized	Undivided Profits 1926 $	Capital 1926 $	Reserve 1926 $	Capital Account			Guaranteed Account			Estates, Trusts			Total		
					1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $	1924 $	1925 $	1926 $
Acadia Trust	....	85,000	200,000	300,000	521,600	555,377	590,800	.....	.....	.....	1,228,638	1,251,589	1,521,354	1,750,239	1,806,966	2,112,155
Brantford Trust	1907	9,880	300,000	20,000	336,051	337,293	341,123	.....	.....	.....	1,866,203	1,887,884	1,494,385	2,202,250	2,225,177	1,835,508
British Can. Trust	....	1,498	49,050	9,500	62,888	63,327	66,278	.....	.....	.....	255,543	315,654	151,597	318,432	378,981	217,885
British Mortgage Trust†	1877	26,776	582,600	650,000		.....	1,305,904	.....	.....	3,380,574	......	......	3,629	......	......	4,690,188
British Western	....	21,238	85,052	4,550	113,731	.....	113,485	.....		.....	43,865	.....	92,843	157,097	.....	206,329
Canadian Guaranty Trust	1909	4,901	304,499	45,000	569,399	585,071	609,818	292,761	306,909	357,514	3,049,574	3,182,061	3,266,837	3,911,735	4,074,042	4,234,167
Canada Trust	1894	32,941	1,000,000	750,000	1,788,388	1,807,242	1,832,941	5,198,141	5,097,379	5,554,107	9,816,872	10,270,144	12,215,088	16,803,403	17,174,765	19,602,136
Capital Trust	1914	44,372	614,921	60,000	692,064	697,967	719,707	1,557,872	2,217,011	2,708,654	5,860,258	4,325,012	4,908,284	8,110,195	7,239,991	8,336,647
Chartered Trusts	1907	9,398	520,942	60,000	596,401	595,057	612,953	667,139	819,302	833,711	9,278,100	10,297,180	10,256,879	10,541,641	11,711,539	11,703,543
Commercial Trust	....	219	15,000	1,000	......	......	25,866	......	......	......	......	......	26,067	......	......	51,934
Consolidated Trusts	1903	5,932	257,998	100,000	338,151	351,477	365,431	38,485	61,445	58,754	883,798	897,052	997,011	1,260,434	1,309,974	1,421,197
Crown Trust	1909	17,265	500,000	200,000	861,162	910,976	1,104,980	485,850	1,056,250	1,715,200	7,399,394	8,358,708	8,860,544	8,746,406	10,325,934	11,680,724
Canada Permanent Trust	1914	32,895	1,000,000	250,000	1,231,337	1,267,995	1,298,403	193,050	349,739	502,266	8,469,584	9,583,145	10,311,815	9,893,971	11,200,879	12,112,485
Eastern Trust	1892	6,796	1,000,000	100,000	1,790,508	1,593,264	1,546,796	1,734,505	2,494,723	3,111,616	34,005,196	34,127,255	35,118,248	37,530,210	38,215,244	39,776,661
Equitable Trust	....	76,119	555,031	50,000	713,180	738,655	749,107	......	......	......	......	......	......	821,181	738,655	749,107
Executors & Administrators	1912	3,287	91,981	4,565	127,667	106,708	103,974	......	......	......	39,606	36,296	58,323	167,273	143,004	162,298
Fidelity Tr. of Ontario	....	4,547	124,500	10,000	......	......	139,047	......	......	......	......	......	161,513	......	......	300,560
Fidelity Tr. of Wpg.	....	......	526,800	51,817	645,067	642,267	621,523	......	......	......			......	645,067	642,267	621,523
Fidelity Trust of Ont.	....	4,547	124,500	10,000	.....	.....	139,047	.....	.....	.....	......	......	161,513	......	......	300,560
Executors and Administrators	1912	3,287	91,981	4,565	127,667	106,708	103,974	.....	.....	.....	39,606	36,296	58,323	167,273	143,004	162,298
Guelph Trust	1917	16,831	544,450	70,000	381,071	391,712	404,058	322,751	328,644	332,332	315,993	423,650	453,939	1,019,816	1,144,006	1,190,331
Grey and Bruce Trust†	....	......	299,000	80,650	......	.....	622,222	.....		241,287	......	......	443,253	......	......	1,306,763
Imperial Trusts	1887	35,831	248,164	50,000	352,116	374,051	354,786	701,911	688,053	677,370	4,319,806	3,652,299	3,813,773	5,373,834	4,714,403	4,845,929
London & Western	1897	18,514	500,000	375,000	847,293	875,895	903,514	.....	.....	.....	14,021,740	15,527,308	18,225,702	14,869,033	16,403,203	19,128,216
Montreal Trust	1889	88,846	1,000,000	1,750,000	3,904,341	4,765,319	5,301,100	5,208,090	6,717,125	11,830,907	125,364,726	140,884,724	169,230,333	134,477,157	152,367,168	186,362,340
National Trust	1897	186,891	2,250,000	2,250,000	4,737,191	4,782,499	4,820,227	9,298,248	10,249,217	11,650,140	124,871,294	128,630,189	140,936,059	138,906,734	143,661,905	157,406,426
Northern Trusts	1904	174,174	1,500,000	100,000	1,726,344	1,772,791	1,808,411	2,835,551	2,634,628	2,591,908	19,490,814	19,476,297	17,906,646	24,052,709	23,883,356	22,306,966
Nova Scotia Trust	1912	11,934	351,700	60,000	395,932	418,703	428,101	475,381	504,383	.....	4,531,088	2,660,478	......	5,402,402	3,583,564	......
Occidental Trust	1912	6,942	116,315	.....	153,424	158,541	160,093	.....	.....	.....	......	......	......	153,124	158,541	160,093
Osler & Nanton Trust	1911	......	650,000	109,556	838,729	1,141,254	1,144,414	....	....	....	1,863,033	2,036,429	3,535,905	2,701,762	3,177,683	4,680,319
Prudential Trust	1911	x149,461	711,756	.....	854,240	797,642	724,687	164,109	64,140	2,781	4,299,725	4,369,432	4,807,255	5,318,074	5,231,213	5,534,724
Premier Trust	1915	561	160,000	15,000	168,788	178,296	175,927	115,976	127,378	142,479	762,994	774,718	745,091	1,047,759	1,080,392	1,063,499
Royal Trust	1899	538,621	1,000,000	2,000,000	6,807,677	6,897,543	7,004,444	2,724,003	2,419,790	2,508,115	348,448,527	364,726,231	372,635,849	357,980,209	374,043,565	382,148,403
Standard Trusts	1901	42,626	1,000,000	250,000	2,308,390	2,401,499	2,424,987	.....	.....	.....	12,750,105	12,439,942	10,807,348	15,058,495	14,841,442	13,232,335
Sterling Trusts	1910	7,450	582,793	70,000	686,980	693,233	707,200	61,182	49,916	56,886	4,513,166	5,505,798	6,432,053	5,261,329	6,248,947	7,196,141
Saskatchewan General Trusts	1910	5,507	184,433	85,000	320,048	342,321	360,205	.....	.....	.....	3,431,302	3,804,500	4,242,594	3,751,351	4,146,821	4,602,799
Saskatchewan Mtge. & Trust	1909	6,312	834,960	100,000	926,416	950,693	997,558	27,620	27,257	18,834	1,192,093	1,104,298	1,069,498	2,146,130	2,082,248	2,085,891
Sherbrooke Trust	1874	5,986	250,000	100,000	925,726	1,087,253	1,258,315	.....	.....	.....	980,378	1,036,947	1,673,322	1,906,104	2,124,200	2,931,637
Sun Trust	....	50,126	250,000	....	317,860	333,591	303,772	....		....	11,770,426	15,122,231	19,846,441	12,088,286	15,455,822	20,150,214
Toronto General Trusts	1882	136,459	2,000,000	2,600,000	4,861,673	4,885,782	4,833,718	11,300,342	12,277,392	14,278,780	127,877,193	135,628,255	140,705,165	144,039,209	152,791,520	159,812,664
Trusts & Guarantee	1897	156,662	1,442,873	.....	1,738,214	1,728,172	1,732,722	5,913,652	5,961,488	6,235,174	22,529,562	23,999,519	25,419,359	30,181,430	31,689,179	33,387,256
Winnipeg Trustee	1909	4,367	151,177	20,000	266,278	272,128	282,031	124,763	138,992	135,802	2,428,061	2,208,389	3,524,173	2,819,098	2,619,510	3,942,006
Union Trust	1901	123,567	1,000,000	600,000	1,697,507	1,728,588	1,783,017	4,639,784	4,585,937	3,674,801	7,716,317	7,809,877	7,831,324	14,053,610	14,124,402	14,289,143
Victoria Trust	1896	14,846	800,000	600,000	1,374,120	1,408,561	1,446,322	3,169,715	3,778,975	4,390,335	34,408	31,283	49,786	4,578,244	5,218,820	5,886,444
Western Trust	1906	107,315	1,005,000	250,000	1,420,407	1,363,518	1,383,649	712,668	672,706	693,836	1,030,955	1,064,269	1,116,691	3,164,030	3,100,494	3,194,176
Winnipeg Mercantile Trust	1907	5,337	109,330	15,000	140,963	143,914	152,556	.....	.....	.....	122,622	160,613	150,235	263,585	304,527	302,791
Waterloo Trust	1922	2,128	750,000	225,000	971,982	991,615	1,001,503	2,879,206	3,044,290	4,416,936	498,072	577,977	851,490	4,349,261	5,213,882	6,269,930
Total		$2,288,192	$27,636,806	$14,456,203	$49,638,966	$51,244,498	$54,910,693	$60,842,755	$66,673,069	$82,096,099	$927,400,137	$978,223,929	$1,046,117,537	$1,038,089,582	$1,096,741,235	$1,183,695,346

xDebit.

†During the year British Mortgage Loan was changed to a trust company. The Grey and Bruce Loan and Owen Sound Loan & Savings amalgamated under the name of Grey & Bruce ,Trust.

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MINE OPERATIONS BUSY THROUGHOUT BRITISH COLUMBIA

Outlook for Coming Summer is Attractive — Best in Many Years

PLENTY OF CAPITAL

Copper and Lead-Zinc-Silver Properties Centre of Interest, With Smelters Taking Initiative

By DAN E. CUSHING,
Mining Editor, Financial Post.

VANCOUVER.—British Columbia's mineral outlook for the coming summer is exceedingly attractive; in fact, the general outlook is regarded as the best in many years. Money is coming in more freely and a surprisingly large number of new ventures are getting development funds from England. The English investors have held aloof since the early Rossland boom, but recent activities have again inspired confidence and as a consequence it is much easier to secure support from the Old Country. American funds are also to be had in some volume, while Ontario money is being spent on a number of promising properties.

Outstanding developments are expected from copper and lead-zinc-silver operations. Copper developments are shaping up well and many important announcements are pending. It is said that Granby Consolidated are planning to increase production at the Copper Mountain plant in order to handle an additional one thousand tons daily. There are few other outstanding ventures in the Princeton section, including the Voight which has been taken up and is being developed by Consolidated Smelters. Smelters also has Coast Copper and Sunlock properties and some announcement in connection with these mines is expected shortly.

Keen Hunt for Lead-Zinc

The hunt for lead-zinc-silver ores will be the keenest of many years, especially in the boundary country and in the section from Alberta Canyon on the Canadian Pacific main line south along Mountain Range to Sullivan. As Smelters is providing the initiative, search will be especially keen in that vicinity.

A revival in alluvial operations is also freely predicated on the coast. One hydraulic effort is already going on, but expectation is that there will soon be others in the field. This method of mining has not enjoyed much attention for years, the California experience when dredging stopped having had a baneful influence on British Columbia.

As a result of this added boom in mining, manufacturers of milling equipment are anticipating good business. Four or five companies are contemplating erecting concentrating plants, which all mean business for Smelters, as majority will ship concentrates to Trail except for a few that will ship to Tacoma.

The early advent of spring has hindered development work, some mines experiencing difficulty in getting in new equipment, especially those facing haul before starting up mountains. The majority of the trails are still snowbound.

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Hollinger Employees Earnings Higher

An analysis of the annual figures of the Hollinger indicates a substantial increase in output per man employed and also a substantial increase in the average yearly earnings per man. In 1926 the tonnage treated was 1,932,559 and a total of 2,482 men were employed, giving an average of 779 tons per man per year, as compared with 723 tons in 1925 and 602 tons in 1924. Total labor costs were $4,510,206, an average of $1,814 per man, compared with $1,738 in 1925 and $1,533 in 1924. One reason for the increase in earnings per man is the prevalence of the contract and bonus system.

FOLEY MINE PLANT TO OPEN BY END OF JUNE

Contemplate Initial Capacity of About 60 Tons—Building Ore Reserves

Provided there are no setbacks, it is expected that production at the Foley Mine of the British Canadian Mines, Ltd., will commence at the beginning of July. Hydro electric power will be available next month and this will materially assist in development work, which is being aggressively carried on so that the present ore reserves may be increased before the mill starts operating.

The mill building has been erected for some months and the major portion of the milling equipment is already installed, so that whatever additions are necessary can be readily placed. Present plans contemplate an initial capacity of about 60 tons.

An upraise is being run from the winze at the 400-foot level through to the surface, and when this is completed it will provide a shaft from surface ore from the 850 foot and 600 foot levels was brought up the winze to the 400 foot level, then along a drift to the old north shaft, and thence to the surface. The new shaft will, accordingly, speed up the hoisting to a very great extent, and together with the installation of new electric hoisting machinery which will shortly be placed on the ground should result in appreciable reduction of expenses.

Drifting on Upper Levels

While the work of putting in the upraise is in progress, development has been suspended on the 600 and 850 foot levels, and it will likely be a matter of two months before further work is done toward opening up these two levels. In the meantime, however, additional drifting on the upper levels will be carried out, and four machines will be employed continuously. Recent work on the 850-ft. level has revealed most encouraging conditions, it is stated, and considerable change in the character of mineralization is noted. With a width of more than sixteen feet on this level, the Jumbo vein is showing very heavy and consistent mineralization with satisfactory values, and continued working of the deeper levels on the Foley opens up room for the expectation that the enterprise may prove to be of considerably greater magnitude than has previously been suspected.

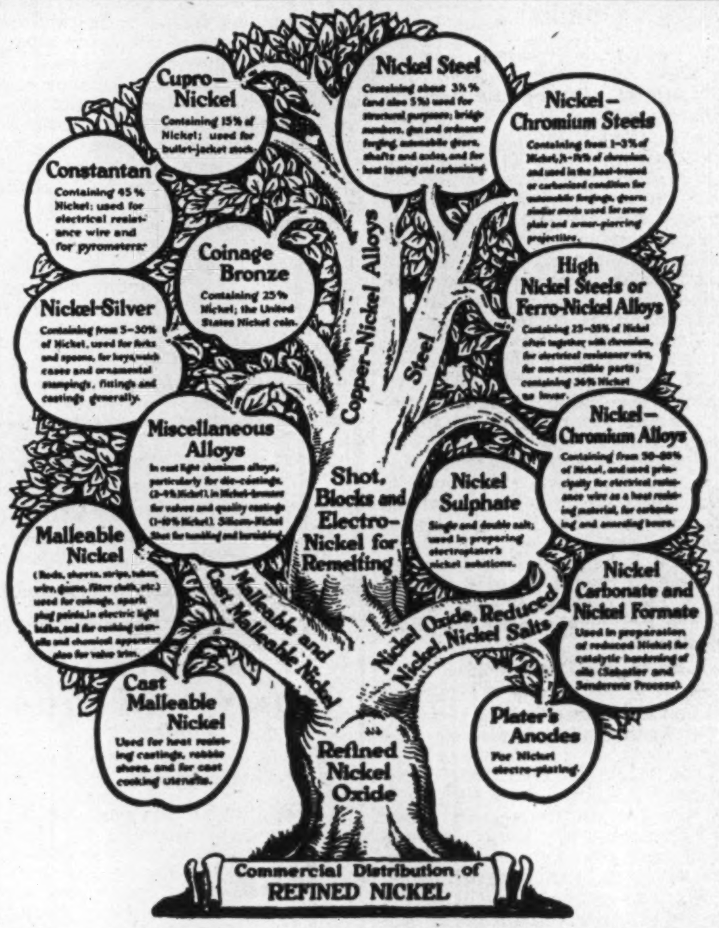
Then, too, exploration at greater depth has provided basis for conclusions regarding structure that would appear to add promise to the venture. Intrusives of younger granite rocks than the Laurentian encountered in the early stages of development would appear to improve the outlook for extensive ore-bodies at depth, and, strengthened by the improvement in mineralization above noted, there is much in the situation that is re-assuring. The gold is found in association with pyrrhotite, galena, zinc blende, iron pyrite and chalcopyrite, and it is becoming apparent that the original mill process planned may have to be changed somewhat. This matter is being given study, and definite conclusions regarding the metallurgy will have been arrived at in ample time to prepare the balance of the mill equipment for production at the date first mentioned.

Atlas Gold Mines Increase Capital and Add to Holdings

An increase in capitalization from $2,000,000 to $2,500,000, is announced by the Atlas Gold Mines. At the same time, the company also announces the acquisition of three new properties in the West Tree camp and two claims in Cadillac Township. The new acquisitions in the West Tree field are known as the Holbrook claims.

Tentative arrangements are being made for this new financing. Payment for the new properties has been made by stock which is pooled for some time to give the company an opportunity to dispose of its stock to raise the money for development purposes.

Preparations are now being made for the re-opening of the old Atlas property where it will be recalled that a few years ago a considerable quantity of spectacularly rich ore was revealed in surface development work.



—Chart by International Nickel Co.

The spending of large sums of money in finding new ways of using and developing markets for the utilization of nickel during peace-time, has been successful in placing the industry on its feet following the severe depression when the Allies ceased making armaments. The present distribution of nickel and the manner in which it is used, may be seen from the above illustration.

Mine Finance Can Learn From Industrial Firms

Some Lessons Are Drawn From Other Fields—Field for Such Financing—Some Interesting Comparisons of U.S. Oil, Steel and Mining Companies

By SAMUEL H. DOLBEAR*,
Consulting Engineer, New York.

Public discussions of mine finance in the technical press have been confined mainly to methods of providing funds for the development of prospects or other mining operations which have not reached the stage of productivity. The application of modern financing methods to mines which have behind them a successful record of net earnings has, for some reason, been given scant consideration by mine owners and managers.

In a few conspicuous cases, such for example as the Anaconda Copper Mining Co., Chile Copper Co., and one or two others, industrial finance has been applied to mining operations on the scale and after the fashion of other operations. When extensions are needed recourse is usually had, however, to the sale of common stock, with the obvious disadvantage of diluting the holdings of every stockholder of record prior to such financing. In some cases, it has been sought to overcome this disadvantage by issuing stock purchase rights to shareholders of record. If the stockholder is in a position to acquire additional stock, he may then preserve his interest intact, otherwise he must suffer a dilution of his holding. If he purchases additional stock he is, from one point of view, paying more for his interest than he bargained for when he made his original purchase.

Further Development

In many cases development and equipment are paid for out of surplus or current earnings. It is sometimes most difficult to explain to a manager why he can afford to borrow money when funds are available from a surplus account. Nevertheless, industrial enterprises with adequate surplus accounts often finance new construction by the issuance of bonds. Such a procedure enables the company to maintain its surplus intact, and to continue the payment of dividends during a temporary period of unusual expenditures.

It may be argued that mine operations differ in a number of essential details from the usual manufacturing enterprises. If there is really any essential difference, it lies on the source of raw materials, which is, in the case of mines, the ore. One may build a textile mill in New England and bring in the raw material from Louisiana, Egypt, or elsewhere, whereas a gold stamp-mill would scarcely expect to import ore from any great distance. The amount of waste material present in gold ore is 99 per cent. plus, and it is not good business to pay freight charges on so much dead weight. For this reason, equipment to treat ores is useful, and therefore an asset, only so long as the supply of raw material—ore—is available. This is true to a lesser extent in the case of copper, lead, zinc and others not classed as precious metal ores.

There is another difference, not often noted, namely that usually there is little opportunity for a diversity of production, with the attendant advantages. Even this is possible, however, and has been obtained notably by one large copper company now engaged in the manufacture of fabricated copper and brass articles.

On the whole there has been a limited use of bond and note issues in the mining industry. Out of the total market value of 51 of the leading mining concerns, amounting to $2,446,230,000, bonds and other funded debts amount only to $303,594,200 or 12.41 per cent. This figure in itself is not significant for the reason that one company, the Anaconda, has bonds outstanding equal to over 60 per cent. of this total, and four companies, namely: Anaconda Copper Mining Co., American Smelting & Refining Co., Chile Copper Co., U.S. Smelting & Refining Co., have issued over 94 per cent. of the total bonds.

Funded Debts Few

Of the 51 leading mining companies only ten have any funded debt whatever, and, omitting the four large operations above listed, the remaining 47 have funded debts the aggregate of which is about 1 per cent. of the total market value of those companies. Contrast this figure (1 per cent.) with that of 44 leading steel manufacturers. The funded debt of the latter amounts to 29.5 per cent. of their total market value and 29 companies out of 44 or 65.9 per cent. have been financed to some extent through the use of bond issues.

Oil companies have also failed to make use of bond issues as freely as other industrials. We find that out of a total market value of 50 leading oil concerns, amounting to $8,545,839,000, bonds and notes amount to but $475,900,000 or 5.56 per cent. While funded debt in the case of these concerns is actually a very small part of the total market value, the use of bonds and notes is really more common in the case of oil, as 32 out of 50 companies have such issues outstanding and 11 of these are issues of $20,000,000 or over. The largest single issue is that of the Sinclair Consolidated Oil Corp., amounting to over $92,000,000.

Preferred Stocks

The extent to which preferred stocks have been used is also interesting. Examination of the accompanying table shows that of the companies considered, the following have preferred stock issues of greater or less magnitude:

	Per Cent.
Steel companies	72
Automobile and accessory manufacturers	38
Oil companies	40
Mining companies	15.6

The relation of the par value of these preferred stock issues to the total market value of the companies is as follows:

	Per Cent.
Steel companies	24
Automobile and accessory manufacturers	11.6
Oil companies	4.7
Mining companies	4.2

I have already pointed out the prevalence of common stock issues as a means of mine finance. This is undoubtedly due to the fact that mines begin as prospects of problematic value. Bonds or even preferred stocks

(Continued on page 39)

*In Engineering and Mining Journal Press, New York.

British Columbia's Record

British Columbia ranked high among the provinces as a mineral producer in 1926, according to federal figures recently published. In the report it is shown that this province produced 13 per cent. of the gold, 49.75 per cent. of the silver, 65.25 per cent. of the copper, 92.5 per cent. of the lead and 91.25 per cent. of the zinc mined in the Dominion during 1926.

NEW MINING PLANT IS PROPOSED FOR McCARTHY-WEBB

Recent Financing Deal Will Provide Funds For New Work

It is announced by McCarthy-Webb Mines that it has completed arrangements to provide working capital to push ahead the development of its property in Goudreau area. While the name of the financiers was not made public, it is understood that F. G. Oke & Co. are handling it.

Recently the property reached the stage where larger amounts of money were required for underground operations and the installing of a plant to carry out the program of development outlined by the engineer, M. B. R. Gordon.

After this financing has been completed, which has made provision for full mining plant and equipment, there will remain in the treasury some 680,000 shares. These treasury shares will be held in reserve for any further expenditures deemed necessary such as the constructing of a mill when mine conditions warrant same. The directors recently returned a large block of vendor's stock to the treasury.

President M. B. R. Gordon stated at the directors' meeting that development work has been brought to a stage where the installation of a mining plant to carry on sinking operations to an initial depth of 1,500 feet is warranted. Development work during the past year has proven eminently satisfactory. New veins have been discovered and old ones proven to much greater lengths. In fact a total length of about 2,000 feet of vein matter has been exposed, assaying high values in gold across economic widths and on which shaft sinking and test pitting at regular intervals, has shown widening of veins and extraordinary channel assays. This is in line with predictions of reputable mining engineers and geologists, who from time to time, have had occasion to visit diamond drill holes directed to cut the veins and values associated with the widely schisted zone and three main ridges on the property, in each instance indicated at depth greater widths of ore, carrying consistent values. It is also thought that these parallel veins will converge at depth thus making an ore body of large proportions.

Those familiar with this section of Ontario's mineral belt in the vicinity of McCarthy-Webb, have expressed the opinion that it has been neglected due to the great diversity of interest provided by the frequent discoveries of new mining areas, and the company confidently expect that their property will illustrate some of the great possibilities and potentialities of this district, as a gold area.

McCarthy-Webb Goudreau Mines, Ltd., is incorporated under the Ontario Companies Act with an authorized capital of $3,000,000 divided into shares of $1.00 par value, of which well over 1,000,000 shares are still in the treasury. The property is situated in the Algoma district, Township 49, comprising 322 acres.

WEST DOME LAKE CAPITAL CHANGE SEEMS CERTAIN

Meeting of Shareholders to Be Held Shortly to Consider Plans

OVER-ISSUE OF STOCK

No Par Value Shares on Basis of One For Two of Old Issue is the Suggestion

The first intimation of the over-issue of Consolidated West Dome Lake shares, given by The Financial Post on March 11, has been confirmed by recent developments. Late last fall the directors had an inkling of affairs, but it was not until a few weeks ago, when the books were surrendered by the then secretary and an audit made, that it was possible to secure an approximate idea of the number of shares issued over and above the authorized amount. This is now placed at 1,892,834 shares, bringing the total outstanding up to 6,892,834.

The company first started producing on a small scale in September, 1925. Since then production has been maintained at a steady rate, last year reported at $229,670. Monthly statements have been issued showing an output as high as $30,000, but this is said to be erroneous and that during the past eighteen months, it is doubtful if the actual output was much in excess of $18,000. Whether the mine produced $18,000 or $30,000 a month, it is known that the mine is a producer and that prospects are entirely favorable.

Furthermore, it is stated that if the mine were closed down, overhead expenses would go on and the company would be in worse financial straits than ever. There is also a power contract involving the company, which is iron-bound and calls for a stipulated payment at regular periods whether the power is being used or not. Thus it will be seen that closing down the mine does not present a way out of the present difficulty and the only outlet seemingly is a reorganization of the capital structure.

Capital Reorganization Necessary

The point now in question is what value the shares have and how will the over-issue be absorbed by the company and consequently what will be the position of the shareholders.

At the last general meeting of shareholders on March 16th, a committee of four shareholders was appointed to work with the directors in an endeavor to straighten affairs and also a scheme of refinancing at the adjourned meeting. A number of shareholders are in favor of having the directors apply to the provincial secretary for authority to increase the capitalization of the company to 8,000,000 shares of $1 par value. In this way, the additional shares would be taken in and slightly over a million shares would be left as treasury stock. This was done with the Little Nipissing mine a number of years ago, but whether the provincial secretary would agree to this is open to question. Moreover, the company would still be saddled with the heavy burden of capitalization and with present

(Continued on page 38)

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BIDGOOD MINES PLAN TO REOPEN LEBEL PROPERTY

New Share Offering Will Be Made to Finance Developments

Developments in the Kirkland Lake district have been such as to warrant the reopening of properties of the Bidgood Mines in Lebel township, and to this end the directors have resolved to offer for subscription 500,000 unissued shares of the capital stock of the company to its shareholders at 10 cents a share.

This is the announcement made by president Leo Erenhous in the annual report of the company, which goes on to say that "owing to conditions in the past few years it has been very difficult to make arrangements for financing the operations of the company which directors felt would be satisfactory, and on this account attention has been directed entirely to completing the necessary assessment work and patenting the properties. Two of the claims were tied up in litigation, but recently the case was terminated in our favor, and the claims are now registered in the name of your company, and the work will be completed on them during the present year."

Has Complete Mining Plant

The company has complete mining plant, the report continues, consisting of camp buildings, boiler and power house, boarding house, and a steam plant sufficient to carry workings to a depth of 1,000 feet, and electric power is also now available.

The geology is similar to that of the proven zone of Kirkland Lake, consisting of red and grey feldspar porphyry intrusive into the Timiskaming sediments, all of which have subsequently been disturbed and fractured by faulting, leading channels for mineralization and enrichment.

The shaft extends to a depth of 600 feet, and 3,500 feet of drifting and 500 feet of cross-cutting has been completed. All the underground work has been confined to the No. 9 vein, and enrichments were found at several points on all levels. On the 300-foot and 400-foot levels in particular, assays ran as high as $50, across drift width for a short length, and showings are indicative of ore bodies of greater magnitude, and certainly warrant extensive exploration. The work to date has been confined to less than 1 per cent. of the total area, and a very small percentage of the area which shows economic possibilities.

In order to keep the property and equipment of the company in good shape, your directors have advanced company money amounting in all to $9,871.54. Your directors feel that the development in the district, and conditions generally, are such that the properties should be re-opened, and they have resolved to offer for subscription 500,000 unissued shares of the capital stock of the company to its shareholders at 10 cents per share. Application must be received by or before 5th April, 1927, with accepted cheque attached, payable at par in Toronto, and in the event of over subscription allotment will be made in proportion to present holdings. There are more than 600 shareholders, and each and all are urged to take up shares from the company as far as possible, rather than buying in the open market, which does not benefit the treasury of the company, and if the work on the properties is resumed the market will take care of itself.

Balance sheet shows capital assets of $1,636,160 and current assets of $965, as against current liabilities of $39,871.

Good Headway is Made on Kirkland Lake Developments

Kirkland Lake Gold is actively pushing its program of development work and has now completed a working station at the 2,475 foot level. The station is a large one, as it is probable that more work will be done from this station than from some of the others. When the sump is completed, the drift over to the vein will be commenced. Plans for sinking below this level, it is understood, will for the meantime depend on later developments. The hoisting apparatus is good for 2,500 feet, and hence further work below the present deepest level of 2,475 feet may possibly be done by means of a winze. Work on the mine generally is going satisfactorily.

More machines are being put into operation, the fact that more power is now available enabling the company to expand their work materially. The shortage of timber men is still a handicap to work in the lower levels, but it is expected that this part of the work will be sufficiently advanced to enable stoping at the 2,350 foot level to be undertaken aggressively in the near future.

YORKTON SECURES MODERN REFINERY

Daily Capacity 600 Barrels of Oil—Plant to Come From Wyoming

Property has been purchased for the immediate construction of a 600-barrel oil refinery in Yorkton, Saskatchewan, by the newly organized Yorkton Oil and Refining Co. The property consists of twelve and a half acres, with equal access to both the Canadian National and Canadian Pacific Railways.

The deal was completed by Walter T. Ross, general manager of the Irro Gas and Oil Co., who stated that the refinery would be constructed almost immediately, it being his intention to tranship the plant and equipment of a refinery in Wyoming to Yorkton, he having purchased the one in the States. It will take a train of 15 cars to haul the refinery here.

Officers of the Yorkton Oil and Refining company have not yet been announced, but these are expected to be named within a day or so. It is capitalized at $300,000. It is not connected in any way with the Irro Gas Oil Company. It is expected that the refinery will be working full strength before the fall, and while it is being erected in Yorkton with the idea of handling oil which may be obtained from nearby districts, it will in the meantime be supplied with crude oil from properties in Wyoming owned by the Ross interests.

The plant has a daily capacity for handling 600 barrels and a storage tank capacity of 40,000 barrels.

MINE VENTURES ATTRACT INTEREST OF MANITOBIANS

Recent Developments Have Caused Change in Public Opinion

By DAN E. CUSHING,
Mining Editor, Financial Post.

WINNIPEG.—During the past six months there has been a material change in the attitude of Winnipeg towards mining. Heretofore, mining men have found it difficult to get any support in the city for mining ventures and the attitude of the Provincial Government has not been of the most encouraging.

Both have changed a great deal and for the better. It is believed that the Central Manitoba Mines offering, a good block of which was placed here, was the vehicle which wheeled the people of the city around. An evidence of this is the fact that this company has now several hundred shareholders. Not only did the facts about this mine sell the public but it has also had a most beneficial effect on the Brackin Government. Provincial officials are becoming keenly alive to the mining possibilities of the Province and it is believed that when the good news in regard the mill test on the Flin Flon becomes known, it will also have beneficial results for Northern Manitoba.

Holds Big Possibilities

There is a big mining area to the north that holds tremendous possibilities for finding of both precious and base metals.

All the freight for the Central Manitoba area got in before the roads gave way before the recent heavy thaw. Engineers who have just come out say that the Central Manitoba Mines property is a hive of industry. Work of constructing the mill is going ahead apace while a great deal of work is going on underground. The Teen Six shaft is being pushed down, while in the Kitchener section drifting on a couple of levels is going on, while in another part of the mine a raise is being driven up to connect the 250 and 125-foot levels.

Eldorado Mining Active

Eldorado Mines, which is being financed in Winnipeg and Toronto and is being supported by some big financial interests, took in 137 tons of supplies over the winter road. This includes an electric hoist capable of carrying down to 1,000 feet and a 550-cubic-foot compressor that will drive five machines. The company has all its timber cut, including poles for its power line, some of which are already in place. The power line is being built from the Central Manitoba property which is two and one-sixth miles west. When the power line is erected and head frame in place, the new plant will be ready. It is the intention to get the shaft down 500 feet and levels opened up this summer.

San-Antonio group, at Rice Lake, is to be operated this summer under the control of Chadbourne and Thompson, the Noranda managing directors. Toronto interests are also connected. A. J. Keast, who is in charge of the work on Macassa in Kirkland Lake, will also have charge of this task. A mining plant of considerable size has been taken into the property.

The Selkirk Mine at Rice Lake, which has been idle for a couple of years, has been taken up by New York interests. Chas. Speakman, M.E., Montreal, was retained as consulting engineer. The mine has been pumped out and it is understood that, following an examination of the underground workings, an extensive program of diamond drilling was mapped out.

Trethewey-Ossian Completes First Diamond Drill Hole

Latest reports from Trethewey-Ossian property at Boston Creek is that the first diamond drill hole has been completed and No. 2 hole is down 23 feet in Ryolite formation. Details of No. 1 hole will not be to hand until the return of the company's engineer.

The company is now considering the entrance into an arrangement, whereby they will take over a group claim on the same strike and next to a developing property, which is very highly regarded and definitely has high proven values.

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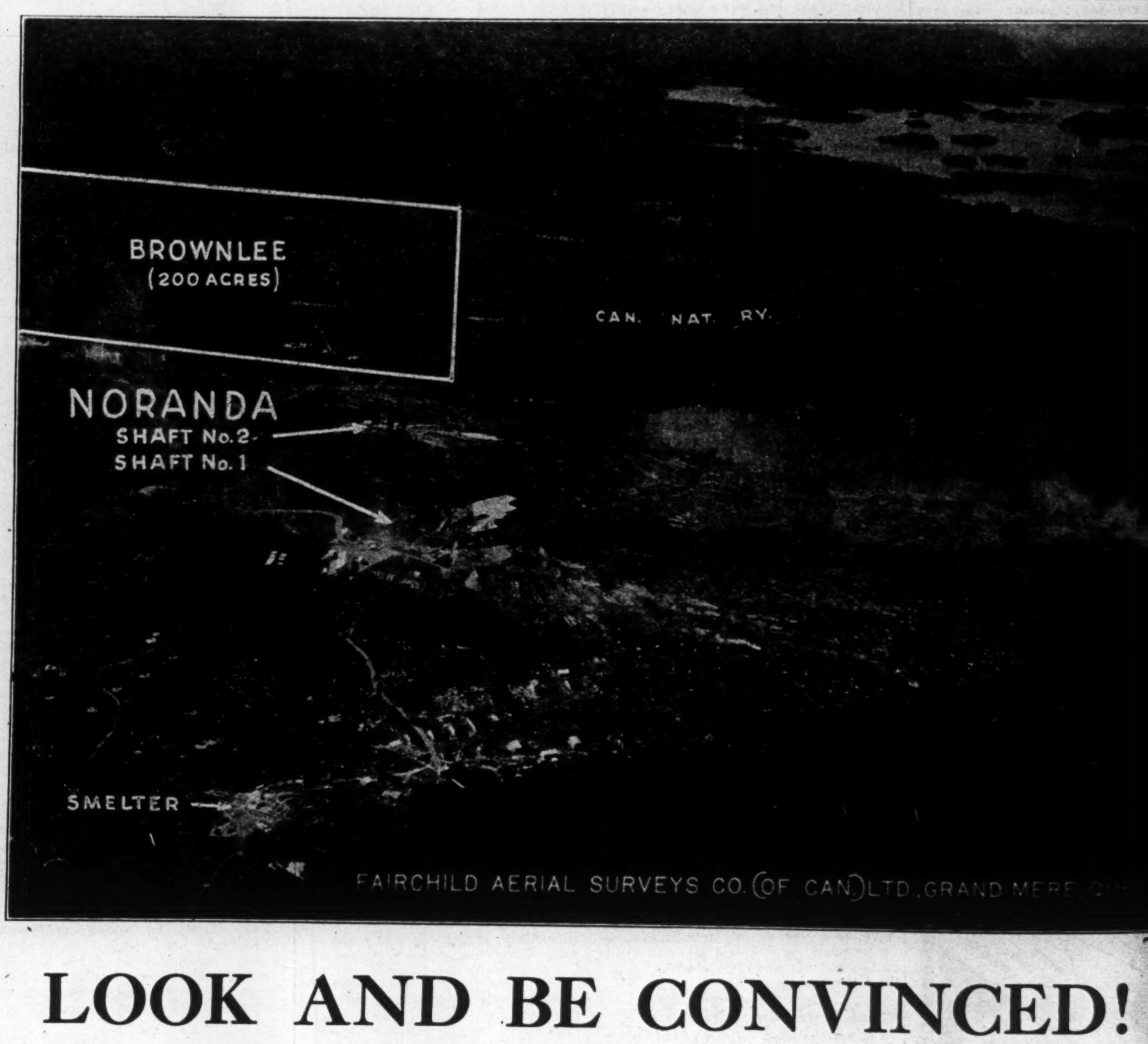

LOOK AND BE CONVINCED!

As ONE casually glances over the above photograph one cannot help but be impressed with the location of Brownlee. Diamond drilling on the Brownlee group—see the position on the map—gives most convincing evidence that the mineralized zone on which Noranda secures its famous and fabulously rich A, B, C and D ore bodies, as well as others, extends north into Brownlee. Noranda is to-day driving two cross cuts north on each side of this mineralized zone, towards the Brownlee boundary, and then by horizontal drill holes, into the mineralized zone hopes to pick up other ore bodies, right up to the Brownlee boundary.

On location alone Brownlee is an attractive speculation at 40 cents. The people behind the venture have practically proven the venture with their own funds. The public is assured of a good run for their money.

Remember! Noranda is trading at more than $20.00 per share, you can stand one foot on Noranda and the other on Brownlee and yet to-day—if you act without further delay—you can buy Brownlee for 40 cents per share.

This is positively the last call for these shares at 40 cents, future offerings, if any, will certainly be at higher prices.

Brownlee will shortly be listed on the Montreal and Standard Exchanges.

Information on Brownlee is available at the Aetna Securities, Ltd.

AETNA SECURITIES LIMITED
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Ontabec is fortunate in that its original holdings—4,000 acres—have all been placed in strong hands.
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"The new mining plant will be used to sink a shaft on the Thompson situation where a fourteen foot width of ore has been located."
Ontabec shareholders will profit from a 15 per cent. royalty in this Harvie Mining Ontabec operation.
Nor should the profit possibilities of Ontabec Limited's stock holdings of 1,300,000 shares in other sound companies be forgotten—plus 25% interest in three separate Dufresnoy properties.

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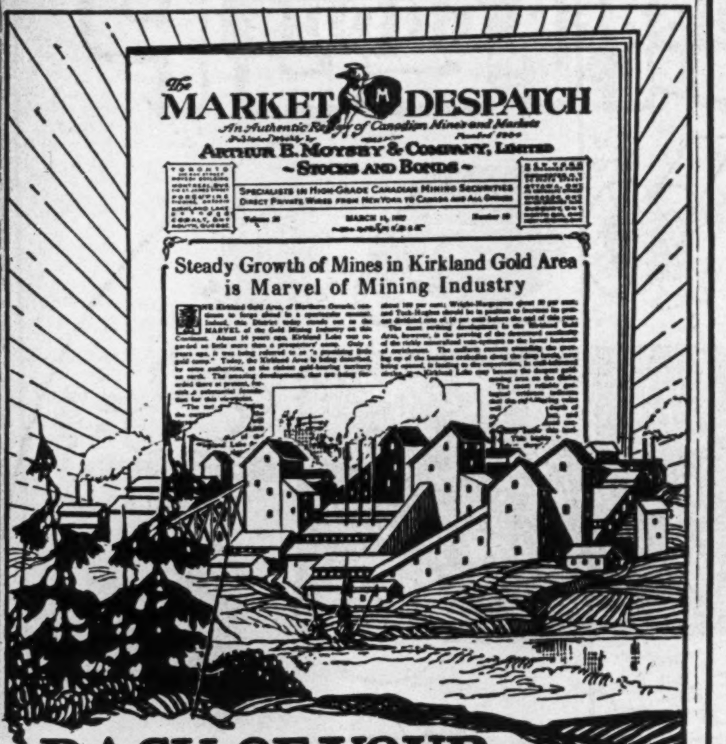

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ADDED MINING DEALS TAX WILL DETER CAPITAL

Proposed B. C. Legislation Will Affect Foreign Investment in Province

Proposed changes in legislation in British Columbia, which would tax the added increment on mining deals are causing considerable discussion. Nelson News makes some rather pertinent points when it asks if the mining industry can be hit and the prospector not feel it. Its argument would indicate a belief that the proposal will have the effect of keeping capital from participating in the exploration and development of prospective mineral lands. It says:

The idea that seems to imbue Premier Oliver, that the interests of the prospector may be separated from those of the mining industry, is a narrow and ill-founded one. There is a hint of the same dangerous belief in the resolution passed by the Prospectors' organization in Nelson when it expresses confidence that the government would not harm the prospector.

Even more closely knit together than are capital and labor, are the mining industry and the prospector. It is to the interest of employers that workmen should have fair wages, for wages in the end circulate and make business. Without payrolls, where would business get off? It is to the interest of workmen that employers should be able to operate plants and conduct business and provide work. If there is no work, where does the employee get off?

How can the interests of the prospector be considered as local and personal?

If the government passes over his increment, but raids that of the development syndicate that brings a prospect to a stage of development where it can be sold to substantial capital, and that of the company, that weathering many vicissitudes, finally sells to a bigger concern at an apparent profit, is he going to escape scot free?

If the effect of the legislation is to turn capital away, and to prevent purchase of mining properties, will his paper protection be of much use to him?

Which condition would he prefer to have: A nice paper protection for himself, and no mining deals? Or the mining industry attracting its share of capital, and new prospects being taken up in a normal manner?

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Argonaut Strike Promising Vein on 1,000-foot Level

While drifting on the 1,000-foot level following readings from the diamond drill, Argonaut Consolidated encountered a new vein which has been numbered 1037. Drifting on this ore was immediately started and the vein has been opened for 110 feet. The south face is cut off by a fault, but the north face is still in ore. All development ore from this drift has gone to the mill.

The fissure is very well defined and contains open ground as well as leached vugs of quartz and highly altered rock. All of these indications are very favorable. The strike of the vein is parallel to the syenite porphyry dike and dips 57½ degrees towards the dike. Figuring the strike and dip, the vein should come into the shaft at a point 150 feet below the 1,250-foot level. This means less drifting on 1125 and 1250, our present objective and mineralization in the shaft at a further level below.

HOLLINGER MEETING WITH GOOD RESULTS

Hoisting Plant Installed on Kamiscotia—Woman Lake Work Promising

A large hoisting plant has been installed by Hollinger on its Kamiscotia property, and a gang of men are now busily engaged in building a power line to bring this important factor to an early completion in an effort to speed up on actual development progress. This property is adjudged by authorities to contain possibilities of developing large mine proportions and eventually compare favorably with the largest copper producing mines of Rouyn.

Woman Lake Favorable

News coming through from the Woman Lake area is of a highly favorable nature, inasmuch as already surface stripping has revealed a vein for a continuous length through six claims. Assays over substantial widths, according to recent arrivals from Red Lake, are averaging high, and this vein is now considered to be the most important development yet recorded in this section. It now appears that Hollinger Gold Mines has now under its control a really high-class prospect, which bids fair to equal, if not exceed, in importance the Bathurst claims in the same area. Plans for an exceedingly active period in both of these new camps are reported completed for the remainder of this year by Hollinger officials, and with initial work showing up far beyond expectations, it is the consensus of well-informed opinion, the outlook for this company greatly expanding its earning power appears brighter than ever.

Coniagas Deal Held Up

The deal between Coniagas and a local Timmins syndicate for a group of claims in Godfrey township has not yet been closed, according to the latest report. It is said that the price asked has been the stumbling block, but it is possible that a satisfactory compromise will be reached.

NORANDA'S POSITION NO CAUSE TO WORRY

Ore Reserves Will Provide 500 Tons Daily for Its 1,000-Ton Smelter

Some disappointment is expressed at the small increase in Noranda's ore reserves to $25,100,000. Those familiar with the situation, however, are not unduly exercised.

In the first place, operations to-day are no deeper than they were when the last official statement of reserves, that dated January 1, 1926, was issued. Further work has been done in opening out the third and levels above, and while new possibilities, especially in the way of gold values, have been met with, they have not been carried far enough to the point of where ore can be counted.

But of equal importance is the fact that the mine is now in the hands of operators. The last report was made shortly after the operators took hold and was marked by a distinct charge. There was a drop in the tonnage but an increase in values. The latest report shows another increase in the value per ton of the ore and a fair increase in tonnage, but it is certain that in making such an estimate the operators were conservative, both in the matter of tons and dollars and cents. Operators have a habit of playing safe. Promoters who must of necessity take full advantage of every favorable factor, are not so prone to err on the side of conservatism.

Noranda will provide about 500 tons daily for its 1,000 ton smelter and will look to other operators for the other half of the smelter burden.

Waite-Montgomery and Towagamac are the two operations that can be looked to for the bulk of the balance. Both have ores that can be shipped direct to the smelter without first going to a concentrator. This makes them quite attractive to Noranda and are doubtless at the back of the negotiations for Noranada to take them over.

N. A. Timmins Inc., a large holder in Noranda, is not now nearly in control, but controls both Waite and Towagamac. Negotiations have so far made little progress but it is understood that if anything is to come of the negotiations that have been going on between Montreal and Toronto, they will likely be closed up by the end of the month.

Montbray-Rouyn Survey Started

Reports from the management of the Montbray-Rouyn property, which adjoins the Nipissing in Montbray Township, Quebec, state that the magnometer survey has started, and is expected to be completed within four weeks. Plans are also being made to start a diamond drilling campaign immediately this survey is completed.

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HARVIE MINING
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DR. ROBERT HARVIE, head of the Harvie companies, has just completed a report on underground operations during the winter, together with a brief outline of plans for the coming summer.

At the Archean property three shifts of men are employed.

At the Harvie and Ringrose operations two shifts of men are working.

With the completion of buildings and installation of equipment at our Thompson property another crew of miners will be engaged.

Seventy-five men are now carrying on the mining work. When the Thompson operation commences this number will be increased to 100 men.

A copy of Dr. Harvie's report will be furnished on request.

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NEWFOUNDLAND MINERAL CLAIMS DRAW CAPITAL

Agreement Made by Anglo-Newfoundland Co. to Develop Properties

Pulp and paper developments in Newfoundland have been the centre of interest for investors during the past two years, but the recent decision of the Privy Council in giving to the Colony a large area of land in the Labrador Peninsula, has again attracted attention to the immense natural resources of the Colony, not only on the main land but on the Island as well.

The iron ore mines of Belle Island are well known, but the other metallic and non-metallic properties have not been exploited to any great extent. There is a possibility in the near future, however, that some work will be done on the known mineral properties and in this connection C. A. Sursham, chairman of the Anglo-Newfoundland Development Co., at the recent annual meeting in London, said:

I will now turn to another aspect of your company's operation which is of very considerable interest to the shareholders. This company, in addition to holding under lease extensive pulpwood forests in Newfoundland, is also the owner, subject to certain royalties, of the mineral rights over a large territory. During the past 20 years that your company has been carrying on the business of pulp and paper-making in Newfoundland, a certain amount of mining prospecting work has been done at different times and considerable expenditure made, but hitherto without resulting in any discoveries that justified further outlay in this direction. In view of the disappointing results experienced, such prospecting work was abandoned.

Negotiate Agreement

In March of last year, however, your directors were able to negotiate what they consider to be a very satisfactory agreement with the American Smelting and Refining Company, of New York, to conduct exploratory and development work on certain of the company's property.

The American Smelting and Refining Company is one of the largest businesses of its kind, with interests in all parts of the world, and is particularly well qualified to undertake this work.

As a result of the application of the latest electrical prospecting devices they succeeded during the year 1926 in locating what appear to be several bodies of rich ore, and which, judging by the surface indications, extend over a considerable area. The ore which has been discovered is a somewhat unusual and complex one, but giving very satisfactory assay values and containing zinc, lead, copper, with some gold and silver.

Installation of Plant

Arrangements have already been made to push ahead with this exploratory work again during the coming year as soon as weather conditions permit, and the American Smelting and Refining Company are so far satisfied with the indications and discoveries already made that they are commencing forthwith the construction of a branch railway line to connect the mine with the Newfoundland railway, and are proceeding with the installation of the first unit of a plant to crush and prepare the ore for shipment.

Permanent Camp of Oriole Gold Syndicate Completed

Erection of the permanent camp of the Oriole Gold Syndicate has now been completed. All supplies are on the property for extensive spring work on their mineralized zone. Trench No. 1 is fifty-five feet long and thirteen feet deep, cutting through thirty-five feet of schist carrying good mineral values. The full fifty-five feet of trenching is well mineralized and paying ore samples are now being assayed. Trench No. 2 has been started and looks better than trench No. 1. The report in this respect will be available when conditions permit of a visit to the property.

Oriole Gold and Copper Mining Syndicate has worked their gang all through the winter. They are reported to be well financed.

Anglo-Canadian Finance Open Branch

The Anglo-Canadian Finance Co., of Montreal, have opened a Toronto branch to take care of their growing business in the district. The local manager will be Mr. T. M. Cortez, and S. A. Gardner,

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Cold Weather Helps Northern Mine Men

MONTREAL. — The lower temperatures last week saved many of the northern mines a considerable amount of money. The break up in the northern rivers due to the warm weather commenced about three weeks earlier than usual. This caught a number of companies with a considerable amount of equipment en route to the mines. If the weather had not suddenly turned colder during the past week, it would have had very serious consequences for a number of the operators.

BROWNLEE DRILL RESULTS ARE GOOD

Are Trying to Pick Up Extension of Noranda's Zone

Brownlee property in Rouyn, lying immediately north of Noranda, is attracting a considerable amount of keen interest amongst engineers and mining men in the camp. Diamond drilling done on the property has shown the extension of the same belt of mineralized rhyolite, accompanied by a dyke of diabase, as found on the south side of the boundary line between the two properties. Frequent small occurrences of chalcopyrite in the cores would seem to indicate that larger bodies of high grade ore are likely to be encountered on further drilling and the operations are being closely watched to see if this ground will reproduce the conditions which have been so highly satisfying to the Noranda owners.

This rhyolite belt strikes a little west of north and if proved to continue in that direction, would cross over half a mile of Brownlee territory, giving it a length equal to that proven on the Noranda property.

The United Verde Company, lying immediately east of Brownlee announces the installation of a considerable mining plant for development of a gold vein at depth, surface work on which has shown it to be of possibly considerable importance. No announcement of the values contained has been given out, but it is apparently sufficiently important to justify their attention and some development. It is rather interesting to note that the probable extension of this gold vein has also been picked up on the Brownlee property where it shows a width of 45 feet and values as high as $10 per ton in the one spot which has been uncovered. It is the company's intention to do some diamond drilling also on this structure in the near future.

NEW DEAL MADE IN KAMISCOTIA AREA

Eplett-Macdonald Claims Sold to Toronto Group is Latest Report

A large amount of work will be done in the Kenniscotia region this spring, judging by the active buying and trading of claims which has been going on during the past month or two. The latest reported deal is that between Toronto interests and the Eplett, Macdonald syndicate, which has twelve claims on the east shore of Kamiscotia Lake, about two miles from Hollinger claims. The buyers are said to have paid an initial deposit of $2,000 into the bank and the purchase price of $375,000 will be spread over a period of eighteen months. A second payment of $3,000 will be made on July 1, and according to the terms of sale, the buyers will have all assessment work for the year completed on or before the second payment is made.

The syndicate will retail a 10 per cent. non-assessable interest. It is interesting to recall that a number of these claims were first staked in 1911, and after having lapsed were restaked in 1923. At that time gold assays running $4.60 per ton were obtained, but again the claims were allowed to lapse as late as September last. When the copper rush started in November one of the previous owners immediately reorganized the present syndicate. It is known that copper deposits are on the property, and, although these are presumed to be fairly extensive, no copper assays have been made. One reason why the claims were allowed to lapse in earlier days was due to the large amount of copper being mixed in with the gold ore.

W. H. Seaman Appointed Manager of Ankerite

From Our Own Correspondent.

MONTREAL.—Replacing H. E. Doelle, who has resigned as manager of the Ankerite Gold Mines to take up a position in the United States, W. H. Seaman has been appointed manager of the company. Mr. Seaman comes from Nevada where he was engaged in work on the Comstock lode.

The company is now milling between 200 and 220 tons a day and the returns are understood to be showing a satisfactory profit. Work underground on the number 5 vein is proceeding rapidly. A raise has been put up from the 475 foot level and a new sub-level started 112 feet above the 475 foot level. This work has increased materially the ore reserves which the company has blocked out.

Red Lake Centre Buy Claims

All the holdings of the Victoria Syndicate in the Red Lake district have been sold to the Red Lake Centre Mines, Ltd., which is now in possession of twenty-three properties in that district. The Red Lake Centre will now adjoin the Howey in three places—to the north-west, the south-west and the south-east. All the properties involved in the deal now concluded have been fully paid for. A number of the veins discovered on the Howey are understood to have been picked up on the holdings of the Red Lake Centre Mines.

GULL KIRKLAND IS MAKING GOOD SHOW

Diamond Drill Reveals Second Vein — Management is Satisfied

Reports of the diamond drilling campaign under way at Gull Kirkland continue of a most satisfactory nature. After completing the first drill hole, run to cut No. 1 vein, another vein having a width of 6 ft. between walls, was encountered. The vein encountered only shows as a narrow fracture on the surface. The drill was then moved over to the position selected for prospecting No. 2 vein, approximately 1,000 ft. to the south of No. 1. On last report, the hole was down 181 ft. The rock at the surface where hole started was a cynanide porphyry to a depth of 86 ft. From that point to 146 ft. down the drill passed through an altered diabase and then into the regular feldspar porphyry which has been associated with the producing veins of Kirkland Lake Camp.

The management do not anticipate cutting No. 2 vein until a depth of at least 400 ft. is obtained. The vein shows up very strongly on the surface and is apparently a continuation of the showing found on the island in Gull Lola, where free gold appears on the surface. Altogether the work has been satisfactory from management viewpoint, which expects even better results from No. 1, as surface values were higher there.

The financial condition of the company is claimed to be sound and the company is said to be amply financed for all the plans by the management. An extensive diamond drilling campaign is under way, after which plans will be executed for putting machinery on the property and sinking a shaft at a point to be selected as a result of drilling campaign.

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WEST DOME LAKE CAPITAL CHANGE SEEMS CERTAIN

(Continued from page 35)

mine facilities, it is doubtful if the company would be able to more than meet current expenses even under the most favorable conditions.

Issue No Par Stock

Another suggestion has been put forward and one which on the surface has more merit than others presented. This is to reorganize the company on a capital of 5,000,000 shares of no par value. Of roughly 7,000,000 shares outstanding, 3,500,000 new shares would be used to recompense present holders. This would leave 1,500,000 shares in the treasury which could be used to put the company on its feet and provide sufficient working capital until the mine is paying its own way. Moreover, it is reported that if this was done, a financial agent has signified his willingness to underwrite the treasury stock.

This second alternative, of course, means that shareholders will suffer a loss, but on the other hand, there is the added advantage of putting the company in a sound financial position with the liklihood of a dividend payment being forthcoming in a year or so.

The adjourned meeting of shareholders is scheduled to take place on May 10, but it is learned from a reliable source that it will be called much earlier, probably ten days or two weeks.

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MINE FINANCE CAN LEARN FROM INDUSTRIAL FIRMS

(Continued from page 35)

having this uncertain background could not be readily sold. Once the mine has reached a position as a profitable enterprise, the tendency has been to let it make its own way out of profits. Otherwise funds are provided by the issuance of further shares of common stock. I have mentioned the disadvantage of the latter plan, in that it inevitably works a hardship on a part of the common stockholders. They are either compelled to buy additional shares in proportion to their current holdings, or they must suffer a dilution of their interest. If the mine has a total outstanding issue of 100,000 shares, the owners of this stock own 100 per cent. of the mine. The sale of 50,000 additional shares means that a third interest in the mine is sold, and the original 100,000 shares then represent only a two-third interest.

Not Always Sound

On the other hand, the payment for equipment or other capital expenditures out of profits, while often considered a conservative procedure, is not necessarily in accord with sound business principles. If the credit of the company is such that it could borrow for its requirements at a reasonable rate of interest, the company may be justified in doing so. It takes time to accumulate funds out of earnings for capital account and the stockholders during that period of accumulation and the subsequent period of construction or development suffer delay in the realization of profits. If such funds are obtained by the sale of funded obligations, there need be no delay in the new mill construction or other development, and dividends may be continued during that period. Let us suppose that a company making a profit of $500,000 annually wishes to increase its milling capacity at a cost of $1,000,000. It will require all of the profits for two years to accumulate this amount.

Now let us assume that the plant will operate for 15 years and will treat a large tonnage during that time. The cost of the plant should ultimately be calculated to the basis of so-much-per-ton of ore treated. Plant investment must be amortized during the life of the plant or the life of the orebody, whichever may be the shorter. It is proper, therefore, that the plant cost should be distributed over the tonnage to be treated during the 15-year period and the cost of the plant paid as the ore is extracted and treated. The logical method of accomplishing this may be the issuance and sale of sinking-fund bonds or debentures having a maximum term of 15 years. The retirement of a part of these bonds serially from time to time in proportion to the ore treated has the effect of distributing the plant cost over an extended period; the actual payment for the plant is (in effect) only required as the ore is treated and the profits realized therefrom.

How a City Does

If a city requires a new water system, it does not obtain it by starting an accumulation of taxes, deferring construction until the cost of the plant is on hand. Bonds are sold for the amount required, and the water system is paid for over an extended period during which it is used.

This principle of distributing the cost of improvements over the useful life of such improvements has been practised extensively by railroads in the sale of equipment trust certificates. Funds for the purchase of locomotives, cars, etc., are commonly obtained in this manner, and these securities are held in high esteem by the public. To a limited extent the principle of equipment trusts has also been applied to other structures, such as warehouses.

Perhaps one of the principal reasons why bonds and notes are not widely used in the mining industry at present is that investment bankers have not commonly sought issues of this character. It is fairly certain that the public will purchase mining bond issues if such issues have the background of careful management and profitable operation and are vouched for by banking interests of sufficient size. A recent $35,000,000 issue of debentures, of the Chile Copper Co., is an example of what may be done in this direction, and it should be noted that the interest rate on these debentures is 5 per cent., they being sold to yield 5.25 per cent. The proceeds of this were to be applied to the redemption of an equal issue bearing 6 per cent. interest. These interest rates attract notice as compared to 6 per cent. or 6½ per cent. or more prevailing with a large number of manufacturing and other industrial issues.

Mining Bond Issues

A good many investment banking houses are probably reluctant to consider mining bond issues, since they do not understand the nature of the security back of the bond. As heretofore stated, milling equipment in many cases is only of value as security so long as there are ore reserves being treated—so that the real security is in the developed ore body itself. The mill without ore to treat has only a scrap value, and this is usually a minute part of its original cost. There are other considerations. It must, of course, be shown that the margin of profit is sufficiently large to cover contingencies, including the varying price of metals and cost of operation. Management is always an important consideration in any undertaking and mining has had its share of the bad variety. Perhaps bad management in manufacturing and merchandising has not been singled out for the same amount of comment as bad management in mining.

The important factor, however, is a clear understanding of the relation of a bond issue to ore reserves. The term of the bond must not extend beyond the life of the known orebody—and if the issue is for equipment purposes, the life of the equipment must also be taken into account. There are undoubtedly some classes of expenditures about a mine that require financing in other ways. The machinery of the funded debt need not be limited, however, in its application to equipment alone. It would appear to have application to haulageways, working shafts, etc. Just how far it can be applied to prospecting and development must be determined in individual cases according to the facts. If the credit of the company warrants it, senior securities could probably be sold for any conceivable purpose. Conservative banking houses are certain to scrutinize carefully the purpose of the financing and are likely to regard speculative undertakings as a function of the common stockholder.

Wide Distribution

There are a sufficient number of profitable mining operations, the securities of which are held by a limited group of shareholders, to justify pointing out some of the advantages of a wider distribution of and an active market for these holdings. One investment house has summarized these advantages and they may be applied equally to the holder of mining securities:

From the Stockholder's Standpoint:—Marketability is an important factor. The stockholder has the choice of diversification of investments and avoidance of a large investment in any one particular security.

It enables, where otherwise impossible, the ready disposal of investments in emergencies and the use of securities as collateral without recourse to extended investigations by the lender.

In case of change in management of the company or in the liquidation of an estate, the investment can readily be disposed of.

Improvement in company's position and increased earnings are quickly reflected in enhancement in the market value of the stock.

It enables the ready establishment of values for inheritance tax purposes and obviates arbitrary and at times burdensome methods in establishing values for such purposes.

It enables the ready disposal of the stockholders foreseeing a change in the industry. It has been demonstrated that where common stock has been publicly sold and listed on the stock exchange, the enhancement in value of the stock has been quickly reflected in its market price.

From the Company's Standpoint:—It strengthens its position, whenever necessary to do any financing for expansion or for current requirements, because of public familiarity with the company and its affairs.

It establishes a definite value for the entire property.

Experience of many corporations has been that having their securities widely distributed is an advertising factor of importance and results in stimulated sales; each stockholder being an interested party in the welfare of the company.

It enables and encourages the purchase of stock by employees, at will, at its market value and permits them to easily dispose of it in case of emergency.

An important consideration in attracting public interest in securities of any character is the provision of reliable information regarding resources and operations. The mining industry so far has failed to adopt anything like a uniform basis for reporting these facts.

One member of the New York Stock Exchange who is particularly familiar with mining securities says: "The apparent lack of interest by the public in mining securities during recent years is probably due to a large extent to the irregular way earnings are reported by many of the mining companies in their annual reports." I think this is equally true of the lack of information regarding the net value of ore reserves. Of 51 companies that have been studied, about one-half make no reference whatever to ore reserves in their reports and in practically all of them the information given is not sufficiently interpreted so that a layman can venture even a remote guess as to the asset value of the security or the probable life of the enterprise.

I believe that the principle is being more and more generally accepted that the security holder is entitled to know all about the company in which he is interested. Highly competitive industries have withheld and will continue to withhold information that would be injurious in the hands of a competitor. Mining operations, however, can hardly be considered to fall into this class. Certain large banking interests have indicated their willingness to consider mine finance on substantially similar terms to those available to industrials. The public can be counted on to adopt the same point of view if it is given the facts, and if the company puts itself in the proper relation to banking interests in whom the public has confidence.

Number of Companies with Issues of Common Stock Only.	Total Market Value Companies with issues of common stock only and per cent. of total market value of all companies in that group.	Per cent.
11 Oil co.'s	$1,574,910,000	18.42
36 Mining co.'s	1,072,750,000	43.02
4 Railroad equipment and steel co.'s.	309,500,000	8.35
17 Automobile and accessory co.'s ..	698,525,000	24.16

xFrom figures compiled by Ward-Gruver & Co., New York.

xThe figures used in this discussion and in the above table are based on common and preferred stocks at their par value. This is necessary, inasmuch as many of the issues are not publicly quoted and it is very difficult, therefore, to determine the actual market value. While this may result in a certain degree of inaccuracy in the relation between bond issues and stock issues particularly, nevertheless the total figures are so large as to reduce to some extent the percentage of such inaccuracies and the tables have significance particularly when used for comparative purposes as between different industries.

Number of Companies	Total Market Value	Par Value of Bonds and Notes	Ratio Bonds to Total Market Value, Per Cent.	Par Value of Preferred Stock	Ratio Preferred Stock to Total Market Value, Per Cent.	Par Value Common Stock	Ratio Common Stock to Total Market Val., P.C.
50 Oil companies	$8,545,839,000	$475,900,006	5.56	$409,496,240	4.7	$7,660,442,754	89.74
51 Mining companies..	2,446,230,000	303,594,200	12.41	104,225,624	4.2	2,038,410,176	83.3
44 Railroad equipment and steel companies	3,702,500,000	1,094,496,500	29.5	894,631,199	24	1,713,372,301	46.5
50 Automobile and accessory companies	2,672,225,000	124,494,256	4.05	314,223,,475	11.6	2,233,507,369	84.35

MANY OPTIONS IN CHELMSFORD AREA

Large Blocks of Ground Are Being Taken—New York Interested

SUDBURY.—Many new and extensive options are reported recently taken by Canadian and American people in the Bunker Hill and Sullivan area near Chelmsford. Particulars of what is going on are being kept quiet. An option of 22,000 acres was recently taken by the Errington-Lindsley group in Blizard and Rayside townships, about two townships northeast of the Bunker-Hill and Sullivan properties. An electrical survey is expected to be made shortly. Mr. Errington holds a large interest in the Bunker Hill and Sullivan proposition and as he is a director of McIntyre and a co-worker in a number of enterprises with J. P. Bickell, the McIntyre president, it is assumed that the Bickell interests have a finger in the present pie.

Another option is reported of 2,200 acres immediately east and adjoining the Bunker Hill and Sullivan ground. This 2,200 acres is immediately south of the town of Chelmsford and north of Whitewater Lake.

Again the particulars are being kept secret. The deal is understood to have been made through Messrs. Errington and Fitzgerald. Mr. Fitzgerald is understood to be head of the Sudbury Diamond Drilling Co.

Another group of 23 claims to the west are being angled for by two New York groups. National Lead, New York, is also in the field.

Woman Lake Claims Sold to Eastern Syndicates

Sale of forty-seven claims in the Woman Lake mining area to three companies in New York, Buffalo and Toronto, is announced by E. C. Tripp, who handled the negotiations on behalf of himself, Charles Smith, of Port Arthur, and others.

Fifteen claims of the Jackson-Manion property are involved in the organization of the Tripp-Gutcher Gold Mines, Ltd., in which Thayer Lindsay, internationally-known mining engineer and financier, is interested, and of which Mr. Tripp will be managing director. Lindsay and Tripp will leave in a few weeks for the properties, going in by airplane. Diamond drilling will be started as soon as possible, it is stated.

Twenty-four claims are under control of the Enger-Sullivan Gold Mines, Ltd., and they adjoin the Tripp-Gutcher and Jackson-Manion properties on the east. Eight other claims have been turned over to the Antler Island Gold Mines, Ltd., a closed organization, of which Mr. Tripp will be managing director. The claims are approximately forty miles east of Red Lake, and it is understood that headquarters for the operations to be conducted will be established at Narrow Lake.

Extensive Equipment Erected On Gold Hill Mine Property

Gold Hill Mines' new plant consists of an electrically driven compressor and hoist and complete drill sharpening equipment. There has also been erected a new head frame 70 feet high and a cook camp with accommodation to feed sixty men. This new plant is now in operation and giving perfect satisfaction. Underground work at the 800 foot level has been very satisfactory, and arrangements are now being made to sink to greater depths. Construction of a mill with a capacity of 75 to 100 tons per day is now under way.

Pine Lake Lorrain

Good progress is being made on the Pine Lake Lorrain property in South Lorrain. The shaft has been sunk to 125 feet in a diabase keewatin contact and the gangue being very similar to that of the producing mines of the district. Cobalt and some argentite shows in the calcite.

Excellent progress is being made in the development, and the contact will be thoroughly explored from the 200-ft. level where cross-cutting will be done to cut several veins located at surface.

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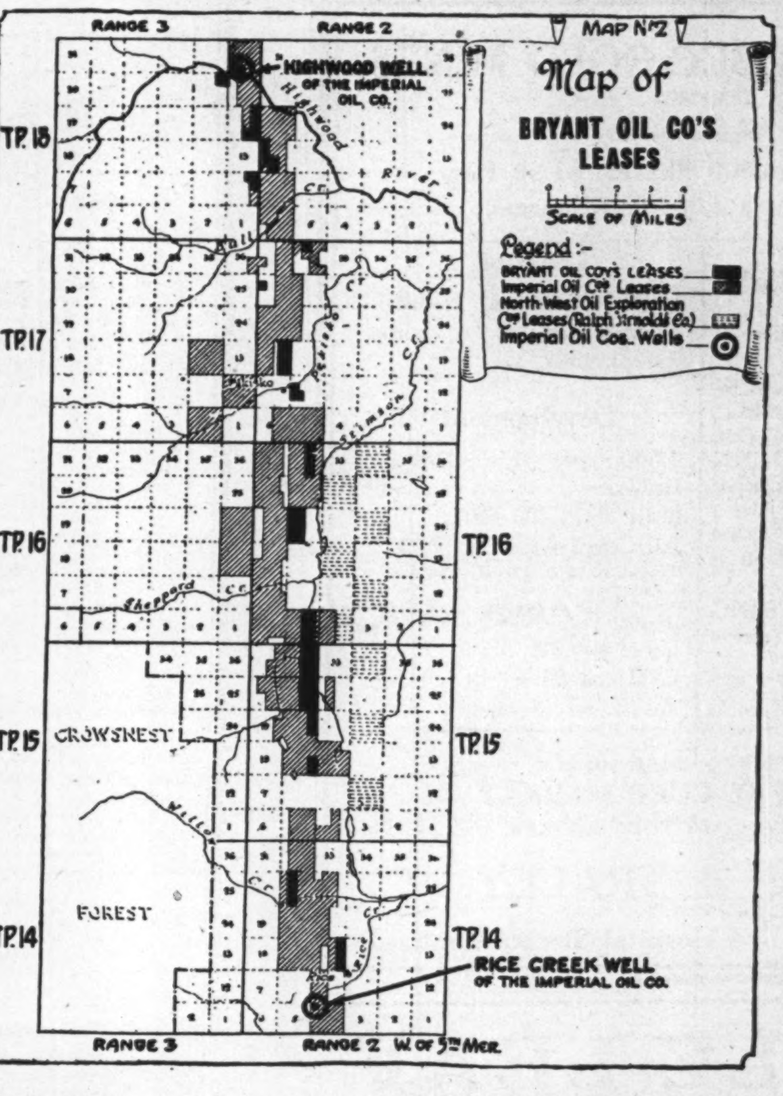

In addition to those Leases the Bryant Oil Co. holds royalty on the HIGHWOOD WELL of the IMPERIAL OIL CO. shown on map.

This acreage, as shown by the accompanying map, runs through the centre of the holdings of the Imperial Oil Co., who are drilling near the south end of the area on Rice Creek and near the north end on the Highwood River.

The company holds a report on this area written by the well-known oil geologist and petroleum engineer, S. E. Slipper, formerly geologist to the Geological Survey of Canada, and Petroleum Engineer for the Department of the Interior, and now chief geologist to the "Gas Company."

The report contains the following statements in regard to the oil prospects of the strip on which our leases lie:

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Stable Money Advocate Commends Index Numbers to Man on the Street

Special to The Financial Post

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It is easy for us here to look across the water with horror at monetary units shrunk in their purchasing power to such an extent that they are almost valueless. Germany won the prize in this regard. Under the Dawes Plan, its old, badly inflated mark was retired in favor of the Renten-mark at the rate of one trillion to one; that is to say, a figure 1 with 12 ciphers after it. The present Austrian Crown is worth from 1/18,000th to 1/25,000th of what the Crown was worth before the war.

The Russian Rouble is somewhere in between these two figures. Other countries are not quite so badly off. Latest available statistics for France indicate that their prices are some seven or eight times as high as they were before the war. That is to say, their franc is worth 1/7th or 1/8th as much in purchasing power.

In Italy the lira is worth about 1/7th as much as it was before the war. In England they have got down to a basis where the Pound is worth about 60 per cent. and in America we have got down to where the dollar is worth about 65 per cent. of what it was worth before the war.

Use Index Numbers in Valuation

Now, how are these figures arrived at? That is an interesting question. A generation or so ago it would not have been possible even to state such statistics. It has required a combination of the three sciences of mathematics, statistics and economics to make it possible to arrive at any sort of valuation of the purchasing power of monetary units. The means whereby this could be done were known to a few advanced scientists long ago, but it remained for an English economist by the name of Jevons, who lived during the latter part of the last century, to work out in a practical manner the technique of the new science of Index Numbers. He took the prices of given quantities of a list of articles on a given date and compared these prices with the price of the same quantities of the same article at a later date, and arrived at a percentage relationship. Thus, he may have found that potatoes rose between the two dates 10 per cent., and that coal rose between the two dates 6 per cent. If these were the only two articles with which he was dealing he could say that the Index Number rose 8 per cent., that being the average of the two increases. By taking these percentage changes over a long enough period of time and relating them all back to one base date, it is possible for us to get a concept of the fluctuations in the price level of these commodities taken into the calculation.

If we increase the number of the commodities in the calculation until we include everything that money is used to buy, what we get is not so much a picture of the fluctuations in the price of commodities as it is a reflecton of the variations in the purchasing power of the monetary unit in which those prices are stated. Thus, if the prices of everything, in terms of dollars, double, that means that the purchasing power of the dollar has shrunk one-half; and when we say that the price level in France is 700 we mean that the Franc is worth 1/7th of what it was worth on the base date.

Indices Are Now Weighted

Many refinements have been introduced into this science of Index Numbers. Obviously, two commodities would not be sufficient to give a fair reflection and we find that large numbers of commodities are being used by those who are making such calculations. We find Professor Irving Fisher used 202 commodities and the United States Bureau of Labor statistics using 404 commodities. In Berlin, the Board of Trade in compiling its Index Number uses 150 commodities and in England the "Economist" uses 44.

Incidentally some commodities are more important than others. Cotton, wheat, steel, coal are much more important than barium, platinum or pop-corn,—but it is possible to estimate the relative importance of the commodies and to give to each commodity in the calculation the "weight" which its importance in commerce justifies, and we find some Index Numbers in which this is done. These are known as Weighted Index Numbers.

There are various means of calculating the averages; one can take a geometrical average or an arithmetical average; and the various formulae of calculation differ in other respects.

There was much confusion in this field of thought until Professor Fisher of America published his monumental work, "The Making of Index Numbers," in which he discussed tests which he had applied to every known formula for calculating such index numbers, and he finally selected one ideal formula and a 2nd one, less complicated and therefore better adapted for practical use, but which yet satisfies nearly every test. This is known as formula 53 and is now in use by agencies charged with calculating Index Numbers in the United States, Canada, Great Britain, Denmark, Sweden, New Zealand and other countries.

Present Level of Prices

Most Index Numbers are calculated with an interval of a month, although a few are calculated and published weekly. Some of these are published in a large number of newspapers regularly each week, so that one can, by watching these Index Numbers, know each week what is the current purchasing power of the dollar.

Based upon 1913 as 100, the Index Number in the United States has for some weeks past ranged about 150. The highest point reached last year was on January 30th, when the Index Number was 159.7; the lowest on August 20th, when it was 147.2. This means that the dollar has on the former date a purchasing power of 63 cents and on the latter date a purchasing power of 68 cents, both based on 100 cents as its purchasing power in 1913. That is, the dollar increased in value by almost 8 per cent. in 8 months.

Similarly, in Britain the Economist Index Number reached its highest point in 1926 at 158 at the end of September and the lowest at 148 at the end of December; these figures show a similar fluctuation in the purchasing power of sterling as in the case of the dollar. Figures of this nature, which can only be truly arrived at by the use of Index Numbers, are of great value to the "man in the street," for they clearly show whether or not the currency of his country is reaching stability, and whether he can have confidence in the immediate future of general prices.

Stable Money and Canadian Banking

Advocacy of so-called "stable money" has not been so keen in Canada as in the United States where quite a strong group of economists have favored getting away from the gold basis in order to prevent ups and downs in price levels. Stable money propments were, however, heard at the last revision of the Bank Act.

The first of two articles on stable money is published herewith. The following article will take up the alleged failure of gold to prove itself a satisfactory standard of value.

IMMIGRANT SEASON OPENS FAVORABLY

Anticipate More Newcomers This Year Than Any Time Since 1914

Immigration to Canada for the eleven months of the fiscal year ended February 28, 1927, amounted to 123,720, compared with 80,835 the same period of 1925-26, an increase of 53 per cent., according to the C.P.R. bulletin. Of the newcomers in the last eleven months, 44,872 were from the British Isles 18,977 from the United States, and 59,851 from other countries. In addition, in the period, 53,295 Canadians, who had taken up permanent domicile in the United States, returned to Canada to make new homes.

Season Opens Early

The early seasonal movement to Canada has commenced with a vigor which augurs a large movement for the year. The transfer, as far as the Canadian Pacific Railway is concerned, is conducted through regulated channels which have been carefully and laboriously constructed throughout the years of the post-war period. Systems of placement devised and perfected by the company, together with the active co-operation lent by various national organizations, and the multiplication of colonization boards for the reception, placement and after-care of newcomers, having regard to permanency of settlement and ensured satisfaction and success, results in a much higher national value for the average immigrant than was the case a few years ago.

Extension of Agreement

The significant event of the month has been the renewal for three years of the agreement by the government with the Canadian railways which has been in force for the past two years covering the movement of immigrants from non-preferred countries of Europe, and which has been responsible for a considerable stimulation in that period. Under this agreement the Federal authorities will continue to accept certificates of personal representatives of the colonization departments of the railways stationed at continental ports. The railways agree on their part to ensure employment to the immigrants brought in from these countries. The agreement also continues to give the railway representatives right for the same period to nominate immigrants from the British Isles for settlement in Canada, placing these individuals on a basis with government officials in the United Kingdom as far as such nomination is concerned.

DOMINION TEXTILE CO., LIMITED

PRUE

MANUFACTURING

ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

St. Maurice Valley Corporation

FIRST ANNUAL REPORT

Consolidated Profit and Loss Account

Thirteen Months ended December 31st, 1926

Gross Profits from Operations		$4,735,856.15
DEDUCT:—		
Bond, Bank and other Interest:		
St. Maurice Valley Corporation	$ 574,859.44	
Belgo-Canadian Paper Company Limited	568,629.25	
Canada Paper Company	124,345.22	
		1,267,833.91
		$3,468,022.24

WHEREOF:—			
Depreciation and Depletion Reserves		$1,065,708.59	
Dividends Paid:			
Preferred:			
St. Maurice Valley Corporation 7%	$563,801.06		
Belgo-Canadian Paper Company Limited 7%	372,758.00		
Canada Paper Company 7%	87,500.00		
		1,024,059.06	
Common:			
Belgo-Canadian Paper Company Limited, Minority Stockholders		22,836.00	
Transferred to Contingent Account		325,000.00	
Surplus		1,030,418.59	
			$3,468,022.24

Consolidated Balance Sheet, December 31st, 1926

Assets

FIXED:—		
Real Estate, Plant and Machinery and Timber Limits; and 20,000 Common Shares no par value of Anticosti Corporation at value of $1.00		$44,269,227.14
CURRENT:—		
Cash	$ 156,967.47	
Accounts and Bills Receivable	2,324,521.49	
Investments—including $489-000, Dominion Government Bonds	657,498.46	
Inventories	6,516,377.83	
Advance Stumpage	117,000.00	
		9,772,365.25
Deferred Charges		157,660.62
		$54,199,253.01

Approved on behalf of the Board.

(Signed)

H. S. HOLT
GEO. M. McKEE

Liabilities

FIXED:—			
7% Cumulative Preferred Shares $100 par.			
St. Maurice Valley Corporation— Authorized— $10,000,000			
Issued	$8,000,000.00		
Belgo-Canadian Paper Company Limited. Authorized— $5,000,000			
Issued	5,000,000.00		
Canada Paper Company Authorized— $3,000,000			
Issued	1,250,000.00		
		$14,250,000.00	
6% First Mortgage Sinking Fund Gold Bonds.			
St. Maurice Valley Corporation—due 1945. Authorized— $15,000,000; Issued $9,999,833; Less Redeemed 202,500	9,797,333.00		
Belgo-Canadian Paper Company Limited—due 1943. Authorized— $10,000,000; Issued $10,000,000; Less: Redeemed 545,500	9,454,500.00		
Canada Paper Company—due 1945. Authorized— $5,000,000; Issued $2,000,000; Less: Redeemed 40,000	1,960,000.00		
		21,211,833.00	
CURRENT:—			
Bank Loans	2,000,000.00		
Accounts and Bills Payable	1,971,404.14		
Accrued Bond Interests	332,621.66		
Accrued Preferred Dividends	183,750.00		
Accrued Common Dividend— Belgo Minority	703.50		
		4,488,479.30	
RESERVES:—			
Depreciation, Depletion and Contingent	1,641,936.97		
Belgo-Canadian Paper Company Limited Common Stock not owned by Corporation	46,900.00		
		1,688,836.97	
CAPITAL AND SURPLUS:—			
Represented by 500,000 shares no par value Common Stock of which 160,000 shares (including reserve for balance of Canada Paper Company exchange) are issued and fully paid up	11,529,685.15		
Profit and Loss Account	1,030,418.59		
		12,560,103.74	
			$54,199,253.01

AUDITORS' CERTIFICATE

We have audited the books of the St. Maurice Valley Corporation, together with the St. Maurice Valley Sales Limited, Belgo-Canadian Paper Company Limited, and Canada Paper Company (Head Office) for the period ended 31st December, 1926, and have obtained all the information and explanations required by us. The inventories have been certified to by your officials and we have accepted same as a basis for incorporation in the statements as at 31st December, 1926. Messrs. Fred Page Higgins & Co., C.A., Toronto, have certified to the correctness of the statements of the Canada Paper Co. Kilgour Division.

Subject to the foregoing, we certify that, in our opinion, the Consolidated Balance Sheet and relative Profit and Loss Account as at 31st December, 1926, exhibit a true and correct view of the state of affairs of the combined companies as at that date, according to the best of our information and explanations given to us and as shown by the books of account examined by us.

(Signed) P. S. ROSS & SONS, Chartered Accountants.

MONTREAL, March 7th, 1927.

FISHER QUEBEC GOLD MINES
LIMITED
No Personal Liability.
Capital: 3,000,000 Shares, $1.00 Par.
In Treasury 2,000,000 Shares

President
H. S. THOMSON - - Quebec
Vice-President
D. W. OGILVIE - Montreal
Directors
Maj.-Gen. C. A. BLACKLOCK, C.B., C.M.G., D.S.O. Port Rowan, Ont.
C. GWYLLYM DUNN Quebec
Col. A. B. GILLES - Ottawa
C. O. LACROIX - - Quebec
JOHN W. GREEN Montreal
Engineer
FRANK C. LORING Toronto
Sec.-Treas.
L. J. FITZGERALD Toronto

Location
1,500 Acres on National Transcontinental, 16 miles East of Amos.

Development
2,000 feet of Diamond Drilling.
Shaft down 200 feet.
All Camps Built.

Assays
Up to $50.00 per ton Gold and Silver
All Assays Checked.

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